

Steel Stockholders

HALL BROS

(West Bromwich) Ltd.
Tel: 021-552 3351
Telex: 33273

Financial Times

OFFERING & SUBSCRIPTIONS

DIFF - GLASGOW
KTON-ON-TEES
WIGAN

VENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.23; DENMARK Kr.3; FRANCE Fr.2.30; GERMANY DM1.79; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pes.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEW SUMMARY

BUSINESS

Equities down 8; gold index up 2.2

EQUITIES fell sharply on political and interest rate fears. FT 30-share index dropped eight points to 265.3, a seven-day high of 12 per cent and a 37 per cent loss since the May 4 high for the year. Gold Mines Index rose 2.2 to 110.3 (a three-day gain of 4.6).

GILTS, shorts and medium-term fell up to one point, undermined by interest rate fears.

GOVERNMENT SECURITIES Index was off 0.63 at 55.83, its lowest since January, 1975.

GOLD gained \$2 to \$1174.

STERLING fell 1.37 cents to its worst-ever close of \$1.5762½ after a worst-ever 48.1 per cent (47.1) Dollar's narrowed to 2.38 (2.39).

WALL STREET closed up 7.38 at 956.12.

BRITAIN could be forced to protect its shipbuilding industry unless Japan is persuaded to cut its share of the world market. Mr. J. Graham Day, British Shipbuilders chief executive-designate, said. Back Page

MEXICO repudiated the peso which immediately slumped a further 24.9 per cent to a record low of 26.50 to the U.S. dollar. Page 6

AVERAGE weekly earnings for men rose by £11 last year to a total £71.80 a week, Department of Employment figures show. Page 20

ENGINEERING Employers Federation attacked the June White Paper which proposed 50-60 union control of pension funds. Page 20

ASSOCIATION of British Travel Agents has dropped its recommendation to members on charging a standard 10 per cent commission on holidays they sell. Back page

MR. ALFRED SINGER, who was largely responsible for making National Giro profitable, has resigned as managing director two years before the end of his term. Back Page

QUILTER HILTON Goodison, of which Mr. Nicholas Goodison, Stock Exchange chairman, is senior partner, is to merge with the broking firm of Hart Morris. Page 10

CEMENT prices go up again next month.

TRUST HOUSES FORTE has arranged to repay a Sw.Frs.100m. loan, no worth over £26m., some six months ahead of schedule. Back Page

SPILLERS group pre-tax profits fell by £2.9m. to £5.68m. in the half-year.

On a day full of rumours and denials . . .

Callaghan and his moderates rebuffed by Labour's NEC

BY RICHARD EVANS, LOBBY EDITOR

The Prime Minister and his moderate colleagues on the Labour Party's national executive committee received a damaging rebuff yesterday when a stormy executive meeting decided to back a lobby by 10 public sector unions on November 17 which will oppose any further cuts in public spending.

The decision, by 13 votes to six, will add to the Government's difficulties because the resolution is thoroughly opposed to all the Prime Minister and his moderates are trying to do. It calls for total opposition to all proposed cuts together with an expansion of social services.

In the afternoon, the Treasury was obliged to issue a formal denial that Mr. Denis Healey had resigned as Chancellor after wild rumours had gripped the City and foreign exchange markets.

The unprecedented Treasury denial—normally such rumours are simply ignored—followed a drop in Government bond prices and signs that the market was prepared to believe any rumour it heard, however unlikely.

Ministers, in an attempt to steady Labour MPs depressed at the lack of impact of Government policies, sought to deny unequivocally reports that there was a rift between the Prime Minister and the Chancellor.

It was stressed that although Mr. Callaghan had made little attempt to hide his irritation on occasions with the Treasury and the Bank of England, he supported totally Mr. Healey and the policies he pursued.

But, despite attempts to calm the nerves of the executive committee claimed afterwards, it was one of the most vindictive and unpleasant meetings he had attended.

Left-wingers had harangued him for half an hour, the Prime Minister snapped that he knew three quarters of the committee was antagonistic to him, but they should address their remarks through the chair. It was then that Mr. Mikardo remarked: "You must remember, Jim, you are not God."

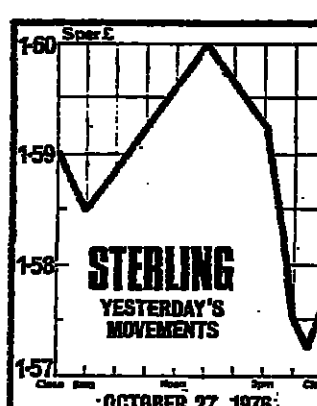
Mr. Callaghan stated bluntly that the resolution was not acceptable—the Government had a policy based on the social contract and it was sticking to it.

The Prime Minister left before the vote to attend a pre-arranged lunch and was heard to mutter that as the vote was already lost his absence would make no difference.

Earlier reports that he had stormed out of the meeting after tearing up his papers, were denied. Some papers were torn up but apparently not in anger.

Nevertheless, Mr. Callaghan clearly was intensely irritated by the Left-wing campaign.

Continued on Back Page
Economic Viewpoint Page 23



Sterling at \$1.5762½ after late fall

By Colin Millham

SPECULATION and nervousness were again rife in the London money market and the foreign exchange market yesterday. The spate of rumours, almost all of them officially denied, have left markets agitated, despondent and confused.

The money market is still suffering from a report in the Washington Post that Bank of England Minimum Lending Rate may rise to 18 per cent.

The pound was steadier for much of yesterday until the late afternoon, when news of the Labour Party National Executive resolution opposing Government spending cuts hit the market.

Sterling closed at \$1.5762½, down 1.37 cents on the day and a new "low".

In New York it fared better retreating only 8 points to close at \$1.5822.

Yesterday's late fall was in a very thin market after Continental centres had closed. The pound's effective depreciation also weakened to a record level of 48.1 per cent at the close, compared with 47.1 per cent on Tuesday.

Interest rates in many sectors of the money market finished at around a nominal 16 per cent.

Discount houses' buying rates for three-month Treasury bills were around 14½-15½ per cent. This would normally suggest a rise in MLR of 1 per cent on Friday, but in the prevailing state of the market it is little more than a measure of market sentiment on a bad day.

Gilt-edged securities reacted to the conditions in the money market and short-dated stocks registered falls of a full point.

Courtaulds to shut in Skelmersdale

BY RHYS DAVID, TEXTILES CORRESPONDENT

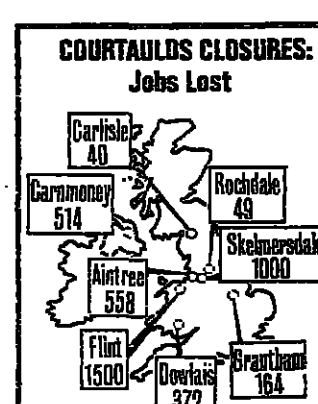
COURTAULDS, the textile group, yesterday confirmed its intention to close its modern weaving plant at Skelmersdale in Lancashire with the loss of more than 1,000 jobs. Three other plants in the Midlands and North are also to be shut, making a further 250 workers redundant.

The company, which last week announced a series of closures in Wales, Northern Ireland and the North of England involving more than 3,000 people, has given an assurance that the wave of closure announcements is over and that no further closure proposals are under consideration. Altogether Courtaulds employs more than 113,000 people in 350 separate locations in the U.K.

Announcing the decision to close the troubled Skelmersdale plant, built in 1968 at a cost of more than £10m., Courtaulds blame continued losses, now employees, all but 10 of them women. The company said heavy losses had been incurred for a number of years.

A small condenser yarn spinning mill at Rochdale is also to be closed with the loss of 49 jobs. As a result of a reorganisation of production at the company's Glenedenk Textiles plant at Carlisle, producing woven fabrics for furnishings, another 40 people are likely to be made redundant.

Textile industry's fight for survival Page 23
Parliament Page 19
Lex Back Page



nd Crosland Geneva, plea

On the eve of the opening of the Asian conference in Geneva, an Nationalist leaders Mr. a Nikomo and Mr. Robert were repeated their request Mr. Anthony Crosland, gn Secretary, should re, Page 6

arrants issued Slater men

dition warrants issued at Street this week for the t of financiers Mr. Jim r and Mr. Richard Taring name their former colles. Mr. Donald Ogilvy Wat- Mr. Ian Tamblin and Mr. K. Goodbody who are ot to be abroad and beyond iction of the warrants, but extradition the Singapore ment is also seeking. Page

se Sir James

ames Goldsmith, who rel his knighthood in Sir d Wilson's controversial ment list, was dubbed by uent at yesterday's invest- Later the Queen's Bench onal Court heard further ce in Sir James's proceed- connection with the satiric- zine Private Eye. Page 11

ter violence

4 in West Belfast were ad in a spate of stone ing incidents yesterday. rmy said the attacks were at provoking more serious s. Young people and en were being used for strate and devious pur- Barricades of hijacked appeared at numerous ms in Springfield Road omen stoned the police

ffly . . .

Peter Parkes, 47, Grenadier s director of music, was guilty at a London court- of four charges of theft ing unauthorised band per- res. Sentences, which will irect to confirmation, are announced to-day.

Strathalmond, a former ing director of British um, has died in London. s 60. Page 8

ehael Foot, Leader of the ons, has been discharged ospital after treatment for s.

ir Force is to send 94 F11 r fighter aircraft to Britain ar to boost Nato defences.

-boat hunter, Squadron A. I. Sladen of Basing- Hants, has left £472,500 in the half-year

Extra £100m. in State aid for investments expected

BY ADRIAN HAMILTON

THE GOVERNMENT is expected to announce the introduction of a major new investment incentive scheme to follow its £120m. accelerated projects scheme at the next meeting of the National Economic Development Council (NEDC) on Wednesday.

The scheme—described as the "national investment scheme"—involving between £50m. and £100m. in Government assistance—is expected to continue the aims of the accelerated investment aid assistance scheme, and widen its scope. It will include grants, not only for new production facilities, but also for marketing investment by companies.

A vague statement that additional Government aid for industry would be forthcoming was made last July by the Chancellor and the new scheme has been in preparation for some months.

Its announcement at this moment, however, comes when Ministers are becoming increasingly anxious to promote the Government's industrial strategy.

Next week's NEDC meeting, which will review progress on the strategy, will be chaired by the Prime Minister, who will almost certainly use the new scheme as an example of the Government's continued commitment to the realistic scheme could only have a relatively minor impact on investment.

The Government reaction to the paper has yet to be stated. Although the TUC pressure for developments of this type makes it difficult for Ministers to refuse outright, there is no doubt that a compulsory scheme would bring a sharp and unwelcome response from industry.

While the Morse committee suggestions relate to long-term propositions for the next swing in the business cycle, the Department of Industry's new scheme is specifically designed to promote investment over the next few years.

Following the success of the accelerated investment scheme which closed last month, it has been decided that there is still a need to induce companies to bring forward investment that might otherwise be delayed because of high interest rates and the low growth in the economy.

Introduction of the new scheme reflects the increasing interest of the Department of Industry in broad-based aid with specific investment aims, in contrast to regional aid given for many manufacturing investment or industry schemes applying to a single sector.

Progress

Courtaulds has expressed its willingness to keep open its warp-knitting plant at Aintree—which was included in last week's closure list—if higher output can be achieved.

A joint statement by management and workers' representatives at the site said some progress had been made at a meeting yesterday. A total of 558 people will be affected if agreement is not reached on new working arrangements during the 90-day closure notification period.

Last week's other closures affect 1,500 people at the company's viscose filament plant at Flint, North Wales and nearly 900 people at two tights plants at Merthyr Tydfil, South Wales and Carmarthen, Northern Ireland.

A harder life . . .

BY ARTHUR SMITH

SKELMERSDALE, the new town built to offer job and housing opportunities for the troubled Merseyside conurbation, is learning to live with hardship.

Male unemployment, at about 13 per cent, is already more than double the national average. Closure of the Courtaulds factory would mean the shedding of the town's two major employers this year. In January Thorn Colour Tubes, the town's biggest employer, closed with the loss of 1,300 jobs.

The manufacturing base of the town is being eroded and it has no cushion of service trades to fall back on.

Mr. Michael McGuire, Labour MP for Ince, in whose constituency the plant lies, has said its closure could lift the male unemployment rate in the town to 25 per cent.

Mr. Colin Barnett, secretary of the TUC regional council in the North-West, said last night that for Courtaulds to pull out would

Continued on Back Page

IF PRICE CHANGES YESTERDAY

in pence unless otherwise indicated)

RISERS

Hill Prop. . . 735 + 15
(D.) . . . 38 + 7
y Secs. "A" . . . 25 + 3
Carrier . . . 22 + 2
sons . . . 50 + 4
Matheson . . . 297 + 7
larsters . . . 159 + 7
Real Prop. . . 133 + 4
649 + 8
T . . . 315 + 23
ite . . . 850 + 50
tinal . . . 221 + 1
stein Estates 420 + 20

FALLS

9 ppc 1981 . . . 233 - 14
10 ppc 1986 . . . 298 - 1
Harvey & Ross 285 - 25

BATs Ind. Dtd. . . 133 - 7
Bovater . . . 122 - 10
Brook St. Bureau . . . 26 - 4
Cater Ryder . . . 135 - 15
Eagle Star . . . 74 - 6
French (Thos.) . . . 138 - 7
Ct. Portland Estates 145 - 7
GKN . . . 203 - 9
Harrisons & Crossfield 375 - 37
Hawker Siddley . . . 335 - 10
ICI . . . 256 - 7
Country News . . . 24 - 27
Crossword . . . 29 - 29
Economic Indicators . . . 29 - 29
Estimateless Field . . . 14 - 14
Farming and Raw . . . 37 - 37
Forex . . . 30 - 30
FT-Admiral Indexes . . . 29, 11, 11
Globe Paper 28 & 28
Johs' Column . . . 26 - 26
Labour News . . . 26 - 26

COMPANIES

TRUST HOUSES FORTE has arranged to repay a Sw.Frs.100m. loan, no worth over £26m., some six months ahead of schedule. Back Page

SPILLERS group pre-tax profits fell by £2.9m. to £5.68m. in the half-year.

Government spending 'on target'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

GOVERNMENT spending in real terms is expected to be kept within planned levels for the current financial year, a senior Treasury official told the all-party Commons Expenditure Committee yesterday.

Mr. Leo Pilatzky, the Second Permanent Secretary in charge of the public sector, told the general sub-committee of the Expenditure Committee that controls had been tightened in the last 13 months both to keep a check on decisions within the financial year and to ensure that the out-turn reflected the plans.

The use of the contingency reserve—an additional sum for calls beyond original plans—as an operational constraint was working.

Mr. Pilatzky admitted that the higher than expected rate of inflation was leading to a review of the cash limits system of controlling money spending for the current year. This would "would be quite wrong to believe there was a troublesome situation across the board."

Mr. Joel Barnett, the Chief Secretary to the Treasury, will make a statement on this, Mr. Pilatzky hinted strongly that the emphasis would be against automatically granting supplementary provisions to take account of the higher than anticipated inflation.

Mr. Pilatzky told the committee the existing way of presenting public spending in the annual White Paper considerably overstated the proportion of such expenditure in the Gross Domestic Product in terms of the definitions used in most international comparisons.

The Treasury has proposed changes in the presentation of

Supersonic holidays to North and South America

Now Air France offer Welcome Tours with a difference. The difference is Concorde which provides an integral part of these unique holidays. You can spend the whole holiday in Washington, Caracas, or Rio. Or join the ultimate Welcome Tour centred around Rio—cruising P&O Canberra one way, flying Air France Concorde the other.

And of course, whichever destination you choose, there's always the Air France cuisine and service to enjoy en route. See your Travel Agent for further details, or send for the Welcome Tours brochure.



To: Air France, Dept. PU, 69 Boston Manor Road, Brentford, Middlesex TW8 9JQ.

I am particularly interested in tours to the Galapagos ☐ French Caribbean ☐ South America ☐ Mexico ☐ Mauritius ☐ Concorde Tour ☐ (Tick as appropriate)

Name _____

Address _____

Reservations 01-499 9317, Ticket Office and Passenger Sales Dept. 01-499 8617, Manchester Reservations 061-832 7891/6.

AIR FRANCE
welcome tours

FEATURES

The outlook for abres . . . 23

Economic viewpoint . . . 23

Steelmaking equipment . . . 14

European courts convention . . . 31

EEC in the doldrums . . . 5

Rhodesia conference in Geneva . . . 6

Bucharest trade fair . . . 7

FT SURVEY . . . 33-36

London Metal Exchange . . . 33-36

ON OTHER PAGES

Leading Articles . . . 22

Letters . . . 22

Books . . . 12

Business Notes . . . 24-27

2 Mining News . . . 29

Money Market . . . 38

Government News . . . 39

Parliament . . . 39

Reaching . . . 37

Salaries . . . 30

Share Information . . . 40 & 41

Stock Exch. Report . . . 38

The Technical Press . . . 35

Telex's Events . . . 25

TV and Radio . . . 26

Unit Trusts . . . 39

Wall St. & Overseas . . . 30

Weather . . . 42

World Trade News . . . 7

ANNUAL STATEMENTS

Associated Dairies . . . 26

Decca . . . 26

J'ours Com. Inv. . . 32

INTERIM STATEMENTS

BPS Industries . . . 26

Chil & Duffin . . . 26

Hopkings Video . . . 27

Telephone Sales . . . 26

28a Lending Rates . . . 28

LOMBARD

Politicians run the Fund

BY REGINALD DALE

TO JUDGE by many of the reactions to the forthcoming Monetary Fund inspectors on London, one could well be forgiven for concluding that the Fund is some kind of international bogeyman that is being summoned to punish Britain for its economic misdeeds. The widely created impression is of faceless Fund officials with about as little sympathy for Britain's problems as the notorious "gnomes of Zurich" or even the dreaded bureaucrats of Brussels, intent on destroying all things traditionally British from beer to breakfast.

The attitude can often be detected behind some of the more half-raising reports over the past few weeks as to the conditions that the Fund will impose in return for bailing Britain out again. Dreaming up new IMF conditions has been one of the favourite pastimes of economic journalists ever since the U.K. announced its application at the end of last month. The inventiveness of some of these reports has been startling. One of them actually said that the Fund would demand the introduction of import controls, which would almost certainly be a breach of its own articles.

Dilemma

Mr. Healey, with his warning of "rot in the streets," and now the Prime Minister with his "don't push us too far" threat, have, if anything, contributed to the general fear. The underlying implication is that our fate is in the hands of fund officials who are incapable of understanding the British political situation. It is true that the Government is faced with a dilemma. Remembering the outcry over the British letter of intent to the Fund in 1967, it believes it cannot risk creating the impression that the IMF, or anyone else, is dictating British economic policy. (I recall a major furor during the EEC entry negotiations when the Daily Express led its front page with the massive headline "Your jobs: we decide, say Germans.") On the other hand the Government has an interest in conditions sufficiently strict to restore some credibility to the defence of sterling.

But it is far from clear that the "scar" approach is the right way of achieving the Government's ends. In the first place it makes life very difficult for the small team of officials who come to London, and who do actually have some understanding of the political background. The fact remains that they are coming to

RACING

BY DOMINIC WIGAN

Royal Marshal II ready

CAPTAIN TIM FORSTER, whose Letcombe Basset stable would well be in for its most profitable campaign for several seasons, fields teams at both Ludlow and Wincanton today, and it is interesting to note that stable jockey Graham Thorner has opted for the west country track.

Here Thorner partners five for the Wantage stable, Tom Bombardil, Gypsy Love, Equivocal, Royal Marshal II, and Toll Bridge. Of this quintet I have most faith in Royal Marshal II and Toll Bridge.

The first from this pair to run is Royal Marshal II who bids for his second course and distance victory in the afternoon's feature event, the two mile five furlongs Terry Biddlecombe Challenge Trophy.

A high-class stayer at his best, Royal Marshal II, surprisingly, has not been obliged since his impressive victory in the January Gold Cup of 1973. Nevertheless he can well be in two of his three

class to carry him through and take him to gain an overdue success at the chief expense of another course winner, What A Buck.

Toll Bridge, a lightly raced Alder gelding showed himself to be in top trim after beating Gently Does It, to whom he was conceding 5 lbs, by a neck in a minor event at Newton Abbot, early last month.

With only modest opponents to beat in the Nether Wallop Four Year Old Hurdle, in which he meets Gently Does It on six pounds better terms, than at Newton Abbot, Toll Bridge should be capable of obliging again.

Turning to Newcastle, where there are now seven races on the Racegoers Club Concession Day programme, I intend taking a chance with Andra's Prince.

He is a promising colt, who has won on her seasonal debut at Wetherby a fortnight ago in the Longtown Hurdle.

I expect Royal Marshal II's

ton on Boxing Day. He appears to be ready to do himself full justice.

I expect Royal Marshal II's

SALEROOM

BY ANTONY THORNCROFT

Family books fetch £33,000

THE COUNTESS of Sutherland cleared out some of the volumes from the family library and became £33,232 better off when they were sold at Christie's yesterday. Some of the books date back to the time of the fourteenth earl in the mid-seventeenth century.

Many prices were well above expectation. The highest price of £2,000 paid by Traylen for a first edition in English of Leo Africanus's *Geographica Historie* of Africa was more than double the estimate, while Robert Batty's *Hanoverian and Saxon Scenery* also did well, fetching £1,500 from Schlusser.

Rheinbuch, the Bonn dealer, paid £1,100 for the four volumes *Etat et delices de la Suisse* of 1776 and 1950 for a copy of *Castella et Prætorica Nobilium* Brabantiae, a work of 1697 by Jacques le Roy.

A sale of jewels also did well. Christie's sold £142,000 worth, with virtually every lot going. A diamond tiara which could be used as a choker necklace and a clip, was bought by S. H. Harris for £10,000 (plus the 10 per cent. buyer's premium), about double the estimate, while Landemann paid £8,000 for a sapphire and diamond art deco earring.

Stothey's was busy selling Old Masters, wine and Japanese

works of art. The Old Masters made £117,650, with an Italian dealer, paying £8,000 for *Caricature of Alessandro* by Boccaccio Boccaccio.

A Village Feast attributed D. Teniers the Younger took £8,800 and a pair of small pictures attributed J. Van Kessel £4,500, while an Antwerp dealer acquired *An Extensive Landscape* by Lucas van Uden for £4,200.

The wine sale totalled £125,852. Prices for 1690-70 clarets were firm and the Dutch were active buyers of port.

The Japanese auction was very successful with nearly everything going for a total of £88,860. The highest price was the £11,500 paid for a portfolio of fifty-five prints. A pair of 19th century screens went for £1,700 and a print signed Harunobu for £1,600.

Henry Spencer of Retford completed a two-day sale of the contents of the late Mrs. Spencer at Bluntham. It totalled £30,305. A picture of exotic birds attributed to Hondoceter fetched the best price—£1,300. An early 19th century rosewood circular table with a marble top sold for £950.

On November 10 Stothey's is selling 16 paintings and drawings by the late L. S. Lowry. They cover all periods of his work from 1910 to 1973 and include a good Dock Scene, painted in

1947, and sent for sale from Hollywood by the song writer Leslie Bricusse.

The sword of honour presented to the French General Lafayette by the American Congress in 1779 comes up for auction at Sotheby's Parkes Bernet on November 19. It is being sold by a direct descendant.

Another piece of American history is on offer in London on November 17, a portrait of the Lee family of Cotton Hall, in Shropshire, painted by Joseph Highmore in 1738. The American General Robert E. Lee is a descendant of the family group, which traced its pedigree back to Saxon times.

Factory plan approved

APPROVAL of a factory extension at Hirwaun, mid-Glamorgan—which is expected to create more than 200 new jobs—was yesterday announced by Mr. John Morris, Welsh Secretary.

The Welsh Development Agency factory is at present occupied by Electronic Components and Vesta Equipment. The two companies, together with Metal Mouldings of Park Royal, London, will merge to form a new company, Firstel Metal.

TV/Radio

BBC 1
Indicates programme in black and white.
9.41 a.m. For Schools, Colleges.
10.35 p.m. On the Move, 12.45 News, 1.00 Pebble Mill, 1.45 Barabury, 2.00 You and Me, 2.14 For Schools, Colleges, 3.33 Regional News (except London), 3.55 Play School, 4.20 Astronaut, 4.25 Jackanory, 4.40 Blue Peter, 4.55 John Craven's Newsround, 5.15 The Oddball Couple, 5.40 News, 5.55 Nationwide, 6.45 Tomorrow's World, 7.10 Top of the Pops, 7.40 Happy Ever After, 8.10 Jokak.

F.T. CROSSWORD PUZZLE No. 3220

| | | | | | | |
|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

ACROSS
1 He leaves the Wake to win prize (6)
4 Post operator goes some distance without Rolls-Royce (6)
6 Cupidity of one against a pudding (7)
7 Parent said to be more distant (7)
11 Feted a nude possibly with a 100 per cent. record (10)
12 Time to change the news flash (4)
13 Stay at home (5)
14 Host has inclination to compile officers' record (4, 4)
16 Go below for race in Neath (5)
18 Tribute to a good man (5)
20 Debie a ticket (4)
21 War damage girl will outrage (5, 5)
23 Runs by the way to lots of papers (7)
24 Study opening of orderly house (7)
25 NP playing for Russia (6)
26 Rocky island in southern part of Ireland (6)

DOWN
1 Go mad over quarter given to bird (5)
2 Highly explosive C in C (7)
3 Ticket out with guts at Wimbledon (9)

REPORT COMPLETE
CURTAIN EXTRACTED
POWER DOORS SEALED
EVERY CLOUTIERAL
REALLY FAIRWAY
YACHTS SAIL
DELIGHT SNATCH
STESCIAT
PERGRATE EMIT
LEA OFFER
INSTANT UNLATCH
TITOTEE
SINGING TERROR

Northern Ireland—5.55-5.55 p.m.
Northern Ireland News, 5.55-6.45
Seave Around Six, 12.00 News and Weather for Northern Ireland.

England—5.55-6.45 p.m.
Look North from Leeds, Manchester, Newcastle; Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

BBC 2
11.00 a.m. Play School.
5.55 Open University.
7.00 News on 2 Headlines.
7.45 Your Move.
7.50 Newsday.
8.25 Diary of a Village.
8.35 First Impressions.
9.00 The Hollywood Musical: "Thoroughly Modern Milly" starring Julie Andrews.

LONDON
9.20 a.m. Schools Programmes.
10.40 Manfred, 11.00 For Schools.
12.00 Animal Kwackers, 12.10 p.m. Hickey House, 12.20 Woman Alone, 1.00 News and Weather.
1.20 Lunchtime Today, 1.30 Crown Court, 2.00 Good Afternoon.
2.25 South Riding, 2.30 Heart to Heart, 2.50 Extraordinary.
4.20 Little House on the Prairie.
5.15 Bless This House.
5.45 News.
6.00 Today.
6.25 Crossroads.
7.00 Thursday Adventure Film: Captain Nemo And The Underwater City starring Robert Ryan.

9.00 This Week.
9.30 N.T.S.
10.00 News.
10.20 The Crez.
11.20 Phyllis.
12.0 What The Papers Say.
12.15 a.m. London Scene.
12.25 Close: Sandra Freeman

RADIO 1
247m
(15) Stereo-music broadcast.
6.00 a.m. Radio 2, 7.30 News, 8.00 Today, 8.30 News, 9.00 Paul Burnett, 10.00 News, 10.30 David Hamilton, 11.00 V.I.P., 11.30 D.L.T., 11.55 News, 12.00 John Dunn, 12.15 John Dunn, 12.30 News, 12.45 a.m. Radio 2.

RADIO 2
1.500m and VHF
6.00 a.m. News Summary, 6.30 News, 7.00 Today, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 3
464m, Stereo and VHF
6.00 a.m. News, 7.00 News, 8.00 News, 9.00 News, 10.00 News, 11.00 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 4
474m, 500m, 255m and VHF
1 Medium Wave only
6.00 a.m. News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 5
1.500m and VHF
6.00 a.m. News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 6
1.500m and VHF
6.00 a.m. News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 7
1.500m and VHF
6.00 a.m. News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 8
1.500m and VHF
6.00 a.m. News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

RADIO 9
1.500m and VHF
6.00 a.m. News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 12.45 a.m. News, 1.00 a.m. News.

ATV MIDLANDS
1.20 a.m. ATV Newsday, 4.20 a.m. News, 4.45 News, 4.50 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.60 News, 7.75 News, 7.90 News, 8.05 News, 8.20 News, 8.35 News, 8.50 News, 9.05 News, 9.20 News, 9.35 News, 9.50 News, 10.05 News, 10.20 News, 10.35 News, 10.50 News, 11.05 News, 11.20 News, 11.35 News, 11.50 News, 12.05 News, 12.20 News, 12.35 News, 12.50 News, 1.05 a.m. News, 1.20 a.m. News.

BORDER
1.20 a.m. Border News, 2.00 Women Only, 4.20 On View, 4.25 The Adventures of Pinocchio, 4.30 Lost in Space, 4.35 Channel News and Weather, 4.40 News, 4.45 News, 4.50 News, 4.55 News, 5.00 News, 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 8.25 News, 8.30 News, 8.35 News, 8.40 News, 8.45 News, 8.50 News, 8.55 News, 9.00 News, 9.05 News, 9.10 News, 9.15 News, 9.20 News, 9.25 News, 9.30 News, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 News, 12.10 News, 12.15 News, 12.20 News, 12.25 News, 12.30 News, 12.35 News, 12.40 News, 12.45 News, 12.50 News, 1.00 a.m. News, 1.05 a.m. News, 1.10 a.m. News, 1.15 a.m. News, 1.20 a.m. News, 1.25 a.m. News, 1.30 a.m. News, 1.35 a.m. News, 1.40 a.m. News, 1.45 a.m. News, 1.50 a.m. News, 1.55 a.m. News, 2.00 a.m. News, 2.05 a.m. News, 2.10 a.m. News, 2.15 a.m. News, 2.20 a.m. News, 2.25 a.m. News, 2.30 a.m. News, 2.35 a.m. News, 2.40 a.m. News, 2.45 a.m. News, 2.50 a.m. News, 2.55 a.m. News, 3.00 a.m. News, 3.05 a.m. News, 3.10 a.m. News, 3.15 a.m. News, 3.20 a.m. News, 3.25 a.m. News, 3.30 a.m. News, 3.35 a.m. News, 3.40 a.m. News, 3.45 a.m. News, 3.50 a.m. News, 3.55 a.m. News, 4.00 a.m. News, 4.05 a.m. News, 4.10 a.m. News, 4.15 a.m. News, 4.20 a.m. News, 4.25 a.m. News, 4.30 a.m. News, 4.35 a.m. News, 4.40 a.m. News, 4.45 a.m. News, 4.50 a.m. News, 4.55 a.m. News, 5.00 a.m. News, 5.05 a.m. News, 5.10 a.m. News, 5.15 a.m. News, 5.20 a.m. News, 5.25 a.m. News, 5.30 a.m. News, 5.35 a.m. News, 5.40 a.m. News, 5.45 a.m. News, 5.50 a.m. News, 5.55 a.m. News, 6.00 a.m. News, 6.05 a.m. News, 6.10 a.m. News, 6.15 a.m. News, 6.20 a.m. News, 6.25 a.m. News, 6.30 a.m. News, 6.35 a.m. News, 6.40 a.m. News, 6.45 a.m. News, 6.50 a.m. News, 6.55 a.m. News, 7.00 a.m. News, 7.05 a.m. News, 7.10 a.m. News, 7.15 a.m. News, 7.20 a.m. News, 7.25 a.m. News, 7.30 a.m. News, 7.35 a.m. News, 7.40 a.m. News, 7.45 a.m. News, 7.50 a.m. News, 7.55 a.m. News, 8.00 a.m. News, 8.05 a.m. News, 8.10 a.m. News, 8.15 a.m. News, 8.20 a.m. News, 8.25 a.m. News, 8.30 a.m. News, 8.35 a.m. News, 8.40 a.m. News, 8.45 a.m. News, 8.50 a.m. News, 8.55 a.m. News, 9.00 a.m. News, 9.05 a.m. News, 9.10 a.m. News, 9.15 a.m. News, 9.20 a.m. News, 9.25 a.m. News, 9.30 a.m. News, 9.35 a.m. News, 9.40 a.m. News, 9.45 a.m. News, 9.50 a.m. News, 9.55 a.m. News, 10.00 a.m. News, 10.05 a.m. News, 10.10 a.m. News, 10.15 a.m. News, 10.20 a.m. News, 10.25 a.m. News, 10.30 a.m. News, 10.35 a.m. News, 10.40 a.m. News, 10.45 a.m. News, 10.50 a.m. News, 10.55 a.m. News, 11.00 a.m. News, 11.05 a.m. News, 11.10 a.m. News, 11.15 a.m. News, 11.20 a.m. News, 11.25 a.m. News, 11.30 a.m. News, 11.35 a.m. News, 11.40 a.m. News, 11.45 a.m. News, 11.50 a.m. News, 11.55 a.m. News, 12.00 a.m. News, 12.05 a.m. News, 12.10 a.m. News, 12.15 a.m. News, 12.20 a.m. News, 12.25 a.m. News, 12.30 a.m. News, 12.35 a.m. News, 12.40 a.m. News, 12.45 a.m. News, 12.50 a.m. News, 1.00 a.m. News, 1.05 a.m. News, 1.10 a.m. News, 1.15 a.m. News, 1.20 a.m. News, 1.25 a.m. News, 1.30 a.m. News, 1.35 a.m. News, 1.40 a.m. News, 1.45 a.m. News, 1.50 a.m. News, 1.55 a.m. News, 2.00 a.m. News, 2.05 a.m. News, 2.10 a.m. News, 2.15 a.m. News, 2.20 a.m. News, 2.25 a.m. News, 2.30 a.m. News, 2.35 a.m. News, 2.40 a.m. News, 2.45 a.m. News, 2.50 a.m. News, 2.55 a.m. News, 3.00 a.m. News, 3.05 a.m. News, 3.10 a.m. News, 3.15 a.m. News, 3.20 a.m. News, 3.25 a.m. News, 3.30 a.m. News, 3.35 a.m. News, 3.40 a.m. News, 3.45 a.m. News, 3.50 a.m. News, 3.55 a.m. News, 4.00 a.m. News, 4.05 a.m. News, 4.10 a.m. News, 4.15 a.m. News, 4.20 a.m. News, 4.25 a.m. News, 4.30 a.m. News, 4.35 a.m. News, 4.40 a.m. News, 4.45 a.m. News, 4.50 a.m. News, 4.55 a.m. News, 5.00 a.m. News, 5.05 a.m. News, 5.10 a.m. News, 5.15 a.m. News, 5.20 a.m. News, 5.25 a.m. News, 5.30 a.m. News, 5.35 a.m. News, 5.40 a.m. News, 5.45 a.m. News, 5.50 a.m. News, 5.55 a.m. News, 6.00 a.m. News, 6.05 a.m. News, 6.10 a.m. News, 6.15 a.m. News, 6.20 a.m. News, 6.25 a.m. News, 6.30 a.m. News, 6.35 a.m. News, 6.40 a.m. News, 6.45 a.m. News, 6.50 a.m. News, 6.55 a.m. News, 7.00 a.m. News, 7.05 a.m. News, 7.10 a.m. News, 7.15 a.m. News, 7.20 a.m. News, 7.25 a.m. News, 7.30 a.m. News, 7.35 a.m. News, 7.40 a.m. News, 7.45 a.m. News, 7.50 a.m. News, 7.55 a.m. News, 8.00 a.m. News, 8.05 a.m. News, 8.10 a.m. News, 8.15 a.m. News, 8.20 a.m. News, 8.25 a.m. News, 8.30 a.m. News, 8.35 a.m. News, 8.40 a.m. News, 8.45 a.m. News, 8.50 a.m. News, 8.55 a.m. News, 9.00 a.m. News, 9.05 a.m. News, 9.10 a.m. News, 9.15 a.m. News, 9.20 a.m. News, 9.25 a.m. News, 9.30 a.m. News, 9.35 a.m. News, 9.40 a.m. News, 9.45 a.m. News, 9.50 a.m. News, 9.55 a.m. News, 10.00 a.m. News, 10.05 a.m. News, 10.10 a.m. News, 10.15 a.m. News, 10.20 a.m. News, 10.25 a.m. News, 10.30 a.m. News, 10.35 a.m. News, 10.40 a.m. News, 10.45 a.m. News, 10.50 a.m. News, 10.55 a.m. News, 11.00 a.m. News, 11.05 a.m. News, 11.10 a.m. News, 11.15 a.m. News, 11.20 a.m. News, 11.25 a.m. News, 11.30 a.m. News, 11.35 a.m. News, 11.40 a.m. News, 11.45 a.m. News, 11.50 a.m. News, 11.55 a.m. News, 12.00 a.m. News, 12.05 a.m. News, 12.10 a.m. News, 12.15 a.m. News, 12.20 a.m. News, 12.25 a.m. News, 12.30 a.m. News, 12.35 a.m. News, 12.40 a.m. News, 12.45 a.m. News, 12.50 a.m. News, 1.00 a.m. News, 1.05 a.m. News, 1.10 a.m. News, 1.15 a.m. News, 1.20 a.m. News, 1.25 a.m. News, 1.30 a.m. News, 1.35 a.m. News, 1.40 a.m. News, 1.45 a.m. News, 1.50 a.m. News, 1.55 a.m. News, 2.00 a.m. News, 2.05 a.m. News, 2.10 a.m. News, 2.15 a.m. News, 2.20 a.m. News, 2.25 a.m. News, 2.30 a.m. News, 2.35 a.m. News, 2.40 a.m. News, 2.45 a.m. News, 2.50 a.m. News, 2.55 a.m. News, 3.00 a.m. News, 3.05 a.m. News, 3.10 a.m. News, 3.15 a.m. News, 3.20 a.m. News, 3.25 a.m. News, 3.30 a.m. News, 3.35 a.m. News, 3.40 a.m. News, 3.45 a.m. News, 3.50 a.m. News, 3.55 a.m. News, 4.00 a.m. News, 4.05 a.m. News, 4.10 a.m. News, 4.15 a.m. News, 4.20 a.m. News, 4.25 a.m. News, 4.30 a.m. News, 4.35 a.m. News, 4.40 a.m. News, 4.45 a.m. News, 4.50 a.m. News, 4.55 a.m. News, 5.00 a.m. News, 5.05 a.m. News, 5.10 a.m. News, 5.15 a.m. News, 5.20 a.m. News, 5.25 a.m. News, 5.30 a.m. News, 5.35 a.m. News, 5.40 a.m. News, 5.45 a.m. News, 5.50 a.m. News, 5.55 a.m. News, 6.00 a.m. News, 6.05 a.m. News, 6.10 a.m. News, 6.15 a.m. News, 6.20 a.m. News, 6.25 a.m. News, 6.30 a.m. News, 6.35 a.m. News, 6.40 a.m. News, 6.45 a.m. News, 6.50 a.m. News, 6.55 a.m. News, 7.00 a.m. News, 7.05 a.m. News, 7.10 a.m. News, 7.15 a.m. News, 7.20 a.m. News, 7.25 a.m. News, 7.30 a.m. News, 7.35 a.m. News, 7.40 a.m. News, 7.45 a.m. News, 7.50 a.m. News, 7.55 a.m. News, 8.00 a.m. News, 8.05 a.m. News, 8.10 a.m. News, 8.15 a.m. News, 8.20 a.m. News, 8.25 a.m. News, 8.30 a.m. News, 8.35 a.m. News, 8.40 a.m. News, 8.45 a.m. News, 8.50 a.m. News, 8.55 a.m. News, 9.00 a.m. News, 9.05 a.m. News, 9.10 a.m. News, 9.15 a.m. News, 9.20 a.m. News, 9.25 a.m. News, 9.30 a.m. News, 9.35 a.m. News, 9.40 a.m. News, 9.45 a.m. News, 9.50 a.m. News, 9.55 a.m. News, 10.00 a.m. News, 10.05 a.m. News, 10.10 a.m. News, 10.15 a.m. News, 10.20 a.m. News, 10.25 a.m. News, 10.30 a.m. News, 10.35 a.m. News, 10.40 a.m. News, 10.45 a.m. News, 10.50 a.m. News, 10.55 a.m. News, 11.00 a.m. News, 11.05 a.m. News, 11.10 a.m. News, 11.15 a.m. News, 11.20 a.m. News, 11.25 a.m. News, 11.30 a.m. News, 11.35 a.m. News, 11.40 a.m. News, 11.45 a.m. News, 11.50 a.m. News, 11.55 a.m. News, 12.00 a.m. News, 12.05 a.m. News, 12.10 a.m. News, 12.15 a.m. News, 12.20 a.m. News, 12.25 a.m. News, 12.30 a.m. News, 12.35 a.m. News, 12.40 a.m. News, 12.45 a.m. News, 12.50 a.m. News, 1.00 a.m. News, 1.05 a.m. News, 1.10 a.m. News, 1.15 a.m. News, 1.20 a.m. News, 1.25 a.m. News, 1.30 a.m. News, 1.35 a.m. News, 1.40 a.m. News, 1.45 a.m. News, 1.50 a.m. News, 1.55 a.m. News, 2.00 a.m. News, 2.05 a.m. News, 2.10 a.m. News, 2.15 a.m. News, 2.20 a.m. News, 2.25 a.m. News, 2.30 a.m. News, 2.35 a.m. News, 2.40 a.m. News, 2.45 a.m. News, 2.50 a.m. News, 2.55 a.m. News, 3.00 a.m. News, 3.05 a.m. News, 3.10 a.m. News, 3.15 a.m.

It's good business to be here.

Oklahoma. Central gateway to the entire U.S.

There are many reasons why major companies are locating manufacturing, warehousing and office facilities in Oklahoma. One of the most important is location.

Oklahoma is exactly midway between New York and Los Angeles. We are served by six major rail lines, six major airlines and 19,000 kilometers of interstate and federal highways. We are also served by the nation's newest inland waterway which connects to the U.S. inland waterway system and allows access to all of the ports of the world.

Approximately one-fifth of the nation's population resides within an area that can be reached overnight with deliveries. More distant locations can be served with second night delivery.

Oklahoma welcomes industry. From the community level to the state level, we believe business should be profitable. There is no better place to establish your company than in Oklahoma, one of the fastest growing states in the U.S.

For details on how you can profit in Oklahoma, write, in confidence, to: Scott Eubanks, Director, Oklahoma Industrial Development Department, Office of the Governor, 500 Will Rogers Building, Oklahoma City, Oklahoma 73105, U.S.A.



Oklahoma
The PROFIT Center of Middle America

IMPORTANT

Research Institute in Rome, Italy

Ph.D. level MICRO and MACROECONOMISTS and ECONOMETRICIANS.
Full working knowledge of English and partial of Italian required. Pay competitive with U.S. universities and based on experience.
Send curriculum vitae to P.O. Box 10807, 00100 Roma, Italy.

Your meetings guide to the Malta Hilton



Malta, with its remarkably low rainfall, extraordinary landscape and exciting nightlife, is one of the Mediterranean's natural conference centres. And on Malta, the Hilton is the natural choice of hotel.

A complete resort

However, the Malta Hilton is more than just a superb hotel. Standing in 30 acres of landscaped gardens with its own private rock terrace by the sea, it is a complete resort.

Meetings

If you are planning a small meeting or a great conference, with our four function rooms,

the scope is tremendous. At the Hilton we handle groups of 5 to 500 with equal ease. While available at no extra cost are microphones, public address system, portable stage, spotlights and easels.

Relaxing

When it comes to recreation we offer tennis courts, swimming pool and free access to Malta's only casino. A few minutes' walk away, the inner man is catered for by two restaurants—the 8 Auberges which features international cuisine and Maltese specialities, and the Café Borgo for informal snacks or dinner in a relaxed atmosphere.

In the Falcon Bar and Night Spot, guests can drink and dance until 3 a.m.

Sights

While in Malta you'll want to see something of the island. The Hilton, situated in the picturesque

St Julian's Bay area, is the perfect starting point. The Grand Harbour at Valletta is only 15 minutes away. Mdina, a few miles inland, is a



dramatically beautiful medieval town on top of a high hill. Gozo is a delightful island, a short boat trip away. To get the real flavour of Malta's history, simply visit the Travel Agent's counter in the foyer and book one of the guided tours (in different languages) which leave the hotel daily. You'll be amazed at how much there is to see and do in Malta—all within a 30-minute car-ride from the hotel.



For more details of the meeting facilities at the Malta Hilton, contact Mike Weir at Hilton International, London Hilton, Park Lane, London W1A 2HL. Tel: 01-629 0015.

HILTON INTERNATIONAL

EUROPEAN NEWS

Soviet plan calls for 5.6% rise in industrial growth

BY DAVID SATTER

A MODESTLY higher growth target for overall industrial output and a sharply higher growth target for consumer goods production were the highlights of the 1977 Soviet economic plan presented to a Kremlin session of the Supreme Soviet by Mr. Nikolai Baibakov, chairman of the State planning committee. Mr. Baibakov also presented a detailed description of the final version of the 1976-80 Five Year Plan, which included a heavy investment in the improvement of the agrarian economy and a target for consumer goods production at the upper end of the range suggested at the Communist Party Congress in February.

The 1977 plan targets are now in comparison with those in previous Five Year Plans, but they are optimistic in comparison with the targets set in the 1976 plan which were the lowest since the Second World War.

The 1977 plan targets are low industrial output in the Soviet Union to increase by 5.6 per cent, compared with a targeted increase of only 4.3 per cent for 1976, while consumer goods or category "B" production is expected to increase by 4.9 per cent, almost double the 1976 targeted increase of 2.7 per cent. No figure was given for the

expected percentage increase in heavy industry or category "A" production during 1977. This category was set to increase by 4.9 per cent during 1976.

Mr. Baibakov presented both the 1977 plan and the completed version of the 1976-80 plan instead of Prime Minister Alexei Kosygin who had been expected to present them. Mr. Kosygin is believed to have been ill but he sat listening to Mr. Baibakov's speech with Soviet party leader Leonid Brezhnev.

Mr. Baibakov said that national income in 1977 will increase by 4.1 per cent, and that per capita income will grow 3.8 per cent. He said the volume of agricultural production will rise by 11 per cent in 1977 compared with the average annual agricultural production in the period 1971-75, which included two years—1973 and 1975—in which the Soviet Union suffered disastrous harvests.

Mr. Baibakov described the goals set for 1977 and the 1976-1980 Five Year Plan as "tense but realistic." He said the fact that industrial output during the first nine months of this year had grown by 4.8 per cent, instead of the 4.3 per cent, called for in the plan, was an indication that the goal can be achieved.

MOSCOW, Oct. 27.

The final version of the Five Year Plan called for a massive investment of 170bn. roubles in Soviet agriculture in an effort to raise average annual agricultural production by 15 per cent and bring the average annual grain harvest to 235m. tonnes by the end of the Five Year Plan.

The plan also provides for a marginally greater production of consumer goods than was envisaged at the Party Congress in February. The target for growth in consumer goods production is 32 per cent. The February version of the plan called for an increase in consumer goods production of between 30 and 32 per cent.

In a separate speech, Finance Minister Basily Gorbuzov presented a draft annual budget showing that Soviet defence spending will be 17.2bn. roubles or 7.2 per cent of the budget. This represents a cut of 200m. roubles from the 17.4bn. roubles allocated for defence in the current year. However, Western military analysts believe that Soviet defence expenditure is concealed under other categories and that the ostensible cut in the defence budget was made primarily for propaganda.

Editorial comment, page 22



Voting in the Supreme Soviet, the front row, left to right, consists of President Nikolai Podgorny, Premier Alexei Kosygin, and Party General Secretary Leonid Brezhnev.

French steelworkers laid off

BY DAVID CURRY

THE PERSISTENT crisis in the French steel industry which has led Paris to call for intervention in the market by the European Coal and Steel Community (ECSC)—the ultimate governing body of the EEC steel industry—has been highlighted by the news of further heavy layoffs among Lorraine steel companies. Around 50,000 workers will be affected by the measures which

will last to the end of the year. Usinor-Thionville has announced that 4,000 workers will have their week shortened by half between October 29 and November 4 while at the factories of Sacilor partial unemployment will affect 16,000 workers in November and 26,000 in December.

A short while ago Lorraine steelmakers and the unions agreed that workers would receive 80 per cent of their normal wage during lay-offs based on an hourly Frs.8.60. The greater part of this will be borne by the state.

Steel is very political issue in France. The head of the Communist trade union the CGT, M. Georges Seguy said last week that steel should be added to the list of industries which would be nationalised by a Communist-Socialist government.

The French Government has backed the claim of its steelmakers that the Coal and Steel Community should intervene in the market, particularly to fix minimum prices, establish production quotas and restrict imports into the EEC.

The Brussels Commission is trying to get agreement for revamped powers for the ECSC based essentially on voluntary production curbs and a system of recommended but not compulsory minimum prices. The iron and steel industry would be settled by negotiation—not by unilateral controls, which have always met fierce opposition in Brussels because of the fear of retaliation and desire to avoid protectionism.

The French position is directly opposed by the Germans who fear that any interference with market forces will make a bad situation worse as well as benefiting inefficient producers at the expense of efficient steelmakers.

The Community's attempt to persuade the Japanese to continue voluntary restraint on their exports is meeting with a very grudging response. A Brussels steel delegation is currently in Tokyo discussing the situation.

PARIS, Oct. 27.

At Acieries et Forgeries de Neuves-Maisons all work will be halted between October 29 and November 4 while at the factories of Sacilor partial unemployment will affect 16,000 workers in November and 26,000 in December.

A short while ago Lorraine steelmakers and the unions agreed that workers would receive 80 per cent of their normal wage during lay-offs based on an hourly Frs.8.60. The greater part of this will be borne by the state.

Steel is very political issue in France. The head of the Communist trade union the CGT, M. Georges Seguy said last week that steel should be added to the list of industries which would be nationalised by a Communist-Socialist government.

The French Government has backed the claim of its steelmakers that the Coal and Steel Community should intervene in the market, particularly to fix minimum prices, establish production quotas and restrict imports into the EEC.

The Brussels Commission is trying to get agreement for revamped powers for the ECSC based essentially on voluntary production curbs and a system of recommended but not compulsory minimum prices. The iron and steel industry would be settled by negotiation—not by unilateral controls, which have always met fierce opposition in Brussels because of the fear of retaliation and desire to avoid protectionism.

The French position is directly opposed by the Germans who fear that any interference with market forces will make a bad situation worse as well as benefiting inefficient producers at the expense of efficient steelmakers.

The Community's attempt to persuade the Japanese to continue voluntary restraint on their exports is meeting with a very grudging response. A Brussels steel delegation is currently in Tokyo discussing the situation.

Vatican recognises E. Germany

BY ADRIAN DICKS

HAVING held off deliberately until after the West German elections earlier this month, the Vatican has now disclosed that a significant measure of formal recognition is to be given by the Roman Catholic Church to East Germany. This takes the form of the establishment of an "autonomous" East German Episcopal Conference, separate from the existing West German bishops' conference which has purported to act for both states, although representatives from East Germany did not attend its meetings, our Rome correspondent writes.

The decision to approve a special episcopal conference for East Germany results from considerable additional pressure on the Vatican from Potsdam. It follows confidential talks in East Berlin in June, 1975, between the Foreign Minister and Archbishop Casaroli, the Vatican's senior diplomat for relations with Eastern Europe. It is understood that the move had been resisted strongly by the Roman Catholic hierarchy in West Germany.

Swedish aircraft plan

Sweden's commander-in-chief, General Sjöberg, yesterday submitted to the new Socialist government a report which could be the means of preserving the development potential of the Swedish aircraft industry. William Duffell writes from Stockholm.

An increase of some Kr.700m. (£100m.) a year in the Kr.10.3bn. annual defence spending he is already seeking for the 1977-82 period would be sufficient to enable Saab to go ahead with the development of a new light trainer/strike aircraft and a new missile system, according to the general.

Italy abortion bill

Italy's ruling Christian Democrats proposed yesterday a controversial bill which would authorise abortion for a woman facing "insurmountable difficulties." The Christian Democrats thus joined other parties in proposing bills on abortion, which include Communists and Socialist schemes amounting virtually to abortion on demand. Before the woman could obtain the abortion, under the Christian Democrat Bill, she would have to gain the consent of her family and convince a committee of three doctors.

EEC refining surplus

SHELL, Europe's largest oil company, has said in a comment on a recent European Commission study into Common Market refining capacity that it regards as "unnecessary and undesirable" any EEC intervention to control refining capacity. Michael Van Os reports from Amsterdam.

The company said in Rotterdam yesterday that it shares the Commission's view that existing EEC primary distillation capacity will probably be "more than sufficient" in 1985. But since this position is widely recognised, the Anglo-Dutch company expects that this situation will right itself through normal forces of supply and demand, "assuming this is not thwarted by new construction, artificially encouraged by national governments."

Greeks seek U.S. loan

The Greek Central Bank is negotiating with a group of U.S. banks for a loan of about \$120m. Mr. Angelos Angelopoulos, Governor of the National Bank of Greece, stated today. The loan, expected to carry a rate of interest of 13 per cent, above Eurodollar rates, would probably be financed soon, and would help cover Greece's deficit on balance of payments current account, which would be about \$800m. this year, Reuter reports from Frankfurt.

Juan Carlos in Paris

King Juan Carlos of Spain arrived in Paris yesterday for a three-day State visit, and was welcomed by President Valéry Giscard d'Estaing as the representative of a modern Spain, imbued with the spirit of renewal and liberty. The two Heads of State began private talks soon after flying to central Paris by helicopter from Orly Airport. More than 3,000 people have been detailed to guard the king and his wife, Queen Sofia, during their stay.

Giscard to visit Tito

French President Valéry Giscard d'Estaing will pay an official visit to Yugoslavia in the first half of December, Reuter reports from Belgrade. The visit, originally scheduled for mid-September, was postponed because President Tito of Yugoslavia was suffering from a liver ailment. He has made no public appearances since September 11, when he began several weeks of rest and treatment.

Dearer Norway insurance

BY FAY GJESTER

OSLO, Oct. 27.

INSURANCE premiums for Norwegian chemical plants using inflammable substances will shortly rise by "at least 40 per cent," according to a spokesman for Norway's insurance companies. The rise is a result of the unusually high number of serious industrial fires in Norway this year—particularly last month's explosive fire at a Sandefjord paint factory, where the combined bill for damage and loss of production is expected to reach about Kr.160m. (£18m.).

The premium increase could even exceed 40 per cent, the spokesman said. If it did not, that would be because insurance companies hoped to spread the bill for 1976 over several years. Insurance premiums for other types of industry would also rise.

Norwegian ship-owners want the wealth tax on joint stock companies abolished. In a letter to the finance committee of the Storting (Parliament), the Shipowners' Association claims that revenue from the tax is relatively insignificant from the state's point of view, but represents a heavy burden for companies. Since relatively few other countries levy wealth tax, the association reduces the competitiveness of Norwegian companies. In addition, it has a double taxation effect, as shareholders pay wealth tax on the value of their shares.

The tax hits shipping companies particularly hard, the association says, because in practice ships are given a higher value for tax purposes than other kinds of operating equipment.

Wage protest by German unions

BY ADRIAN DICKS

BONN, Oct. 27.

THE WEST German trade union movement has reacted indignantly to the suggestion made two days ago in a joint report of the five leading economic research institutes that sustained growth in 1977 would depend on continued restraint in wage settlements.

Although the tone of union reactions has been relatively restrained, it seems to bode a difficult autumn for the coalition Government as it tries to pursue an economic strategy that still calls for a healthy rise in corporate profits as the main instrument in financing new employment-creating investment.

Meanwhile, a joint working group of the two sides of industry and the Government to negotiate broad agreement on a series of new measures, costing some DM450m, to tackle the blackspots in the labour market. Among the steps discussed were premiums to encourage labour mobility and special measures to reduce unemployment among young people.

The Deutsche Gewerkschaftsbund (DGB), the counterpart of the British TUC, has rejected the notion of income restraint. Meanwhile, the economic spokesman of IG-Metall, the largest individual union, said in an interview with Handelsblatt that the institutes were trying to close the theoretical gaps in their report by means of "one-sided

agitation against workers' and against trade unions."

The spokesman, Herr Rüdiger Kunda, accused the five "witnesses" of the institutes of lecturing the equal dangers of excessive price increases and turning the investment funds into a political football.

It remains to be seen what in the privacy of the three-day concerted action meetings between unions, employers and Government, unions leaders will continue to take such a line. Although they are hardly expected to openly publicly the need for wage restraint, the strong impression given by Herr Kunda was that his union, at least, shares a broad view of the prospects for 1977 sketched out by institutes' report.

With the Government now record as accepting the institutes' views on wages, the employers may very well be on the defence of supplementary measures rather than cash settlements. In particular on further agreements for workers' "wage creation schemes."

Meanwhile, the Economic Ministry reported today that wages during the third quarter were 6 per cent above the period a year before, while wage costs were down by 1.5 per cent, thanks to productivity increases during June and July.

Spain military sackings

BY ROGER MATTHEWS

MADRID, Oct. 27.

A GENERAL and a colonel and other terms of the Spanish Air Force have been suspended from duty as a result of continuing investigations into the activities of the Lockheed Aircraft Company in Spain.

Although Lockheed's involvement in Spain has been far smaller than, for example, in Japan or Holland, the domestic political significance of the affair could be considerable. Despite persistent pressure from the newly liberalised Press, this is the first time the authorities have admitted that any form of payments or commission existed.

maintaining that the amounts of money that changed hands were relatively small, and mostly took the form of "Christmas gifts."

Spain has a total of seven C-130 Hercules transport aircraft out of 10 ordered, for which according to a former Minister of Air, the total purchase price was around \$28m. Apart from the Hercules, Spain has also bought a small number of jet trainers.

The editor of the magazine Sabado Grafico is facing court martial for allegedly publishing a list of 11 men allegedly involved in a certain high-flying "air affair." If convicted, he could face a jail sentence of up to six years.

Other lists circulating privately point to the implication of a number of civilians, several of them previous or present holders of high office. A number of civilians and other military officers have already made statements to the investigating authorities. The question of influence in the Canary Isles

in bribery and other terms of the Spanish Air Force have been suspended from duty as a result of continuing investigations into the activities of the Lockheed Aircraft Company in Spain.

Although Lockheed's involvement in Spain has been far smaller than, for example, in Japan or Holland, the domestic political significance of the affair could be considerable. Despite persistent pressure from the newly liberalised Press, this is the first time the authorities have admitted that any form of payments or commission existed.

maintaining that the amounts of money that changed hands were relatively small, and mostly took the form of "Christmas gifts."

Spain has a total of seven C-130 Hercules transport aircraft out of 10 ordered, for which according to a former Minister of Air, the total purchase price was around \$28m. Apart from the Hercules, Spain has also bought a small number of jet trainers.

The editor of the magazine Sabado Grafico is facing court martial for allegedly publishing a list of 11 men allegedly involved in a certain high-flying "air affair." If convicted, he could face a jail sentence of up to six years.

Other lists circulating privately point to the implication of a number of civilians, several of them previous or present holders of high office. A number of civilians and other military officers have already made statements to the investigating authorities. The question of influence in the Canary Isles

Test of Turkish line on foreign investment

BY METIN MUNIR

ANKARA, Oct. 27.

DELEGATIONS representing prominent West European business groups are to visit Turkey to appraise the Government's attitude to foreign capital, and study projects available for external financing. The German group consists of representatives from engineering, electrical, technical, automotive, metal, optical, chemical, textile and building industries, mining, trading, banking, insurance and investment concerns.

It will arrive on October 31, and spend five days in Ankara, Istanbul and Izmir, with which Turkish Cabinet Ministers, officials and private enterprise representatives. The trip was organised by the Union of Trade and Industry Chambers, and Foreign Unions in Turkey.

It is hoped that the contacts will clarify Turkey's current uncertain and generally unfavourable attitude towards foreign capital investments. Prime Minister Süleyman Demirel's coalition is split over the subject, with the dominant favouring foreign capital, and his major coalition partner, the pro-Islamic Mr. Necmettin Erbakan, publicly against it.

The Japanese delegation, under Nippon Kokan president, Mr. Kimio Matsuo, is tentatively scheduled to visit between November 22 and December 1, will be a non-governmental mission of prominent industrialists belonging to the Keidanren association.

Despite having liberal laws, and permitting the unlimited repatriation of profits, Turkey has not attracted foreign capital in proportion to its potential. Western companies have many grievances, ranging from government indecision to overvaluing red tape.

Talks between Turkey and Greece on their Aegean problems are to resume on November 2, the Turkish Foreign Ministry announced today. There are two problems, one on sharing the Continental shelf, and the other the control of air space.

Talks on the technical level on both issues had started in 1975, but were suspended last July when Prime Minister Demirel sent a survey vessel to take soundings for oil in the

Aggean. Greece considered prominent West European business groups are to visit Turkey to appraise the Government's attitude to foreign capital, and study projects available for external financing. The German group consists of representatives from engineering, electrical, technical, automotive, metal, optical, chemical, textile and building industries, mining, trading, banking, insurance and investment concerns.

It will arrive on October 31, and spend five days in Ankara, Istanbul and Izmir, with which Turkish Cabinet Ministers, officials and private enterprise representatives. The trip was organised by the Union of Trade and Industry Chambers, and Foreign Unions in Turkey.

It is hoped that the contacts will clarify Turkey's current uncertain and generally unfavourable attitude towards foreign capital investments. Prime Minister Süleyman Demirel's coalition is split over the subject, with the dominant favouring foreign capital, and his major coalition partner, the pro-Islamic Mr. Necmettin Erbakan, publicly against it.

The Japanese delegation, under Nippon Kokan president, Mr. Kimio Matsuo, is tentatively scheduled to visit between November 22 and December 1, will be a non-governmental mission of prominent industrialists belonging to the Keidanren association.

Despite having liberal laws, and permitting the unlimited repatriation of profits, Turkey has not attracted foreign capital in proportion to its potential. Western companies have many grievances, ranging from government indecision to overvaluing red tape.

Talks between Turkey and Greece on their Aegean problems are to resume on November 2, the Turkish Foreign Ministry announced today. There are two problems, one on sharing the Continental shelf, and the other the control of air space.

Talks on the technical level on both issues had started in 1975, but were suspended last July when Prime Minister Demirel sent a survey vessel to take soundings for oil in the

EC W
U.K

jobless
nears
level

pressures
We
than any
That
movem
of finish

EUROPEAN NEWS

EEC will take pressure off U.K. over green pound

BY ROBIN REEVES

THE EUROPEAN Community is likely to wait for settlement of Britain's IMF and other loan arrangements before renewing pressures for a change of the green pound. Although there is acute concern at the rocketing costs to the EEC budget of the Common set subsidies now payable U.K. food imports, the rest of the Community seems to be waiting for the fact that the Government has decided to raise the present green pound rate as an essential part in its anti-inflation policy and that any move now to change the sterling's performance on foreign exchange rates.

Green currency rates are the specially-fixed rates for converting common EEC prices into local farm price guarantees. Green pound devaluation will have the effect of increasing some food prices by both guaranteed EEC prices to fish farmers and cutting the EEC subsidies on fish.

Following yesterday's joint EEC Finance and Agriculture Ministers, Herr Josef the German Farm Minister fathered the green currency

system to protect his producers against a cut in their EEC subsidies following the Federal Republic's 1969 revaluation, said he was not happy about Britain's stand. Herr Ertl expressed a hope that Mr. John Silkin, Britain's Minister of Agriculture, would certainly be in a position to be more flexible by the time the annual farm price negotiations start next year. West German sympathy is obviously valuable to the Government at this stage. But the views of the other seven members of the Community and the Brussels Commission cannot be ignored.

There remains the widespread feeling that Britain is "abusing the system" and it would clearly be unrealistic of the Government to expect the Community to maintain the present high rates of subsidy for any length of time. Pressure, even if it can be resisted for the time being, seems certain to be kept up; not least during the coming discussions on the Commission's plan for gradual but automatic adjustment of green currencies. This is to be studied by senior officials of the nine over the next few weeks, before another joint finance-agriculture meeting in December.

LUXEMBOURG, Oct. 27.

Mr. Joel Barnett, Chief Secretary to the Treasury, came close to voicing Britain's opposition to the principle of the proposed plan, during yesterday's meeting. West Germany too is not happy at the prospect of automatic adjustments for the reason that this could possibly result in price cuts to German farmers. But the eventual emergence of a scheme with some element of automatic green currency adjustment, cannot be ruled out, if the Common Agricultural Policy is to continue to live with the growing divergence of the economies of the Nine.

This week, U.K. imports of many basic food products are subject to an EEC subsidy of 37.3 per cent. Next week the rate is destined to increase to 40.8 per cent, and unless there is a sudden recovery in sterling, the rate of subsidy is likely to be over 44 per cent, the week after, or some £1.7m. a day.

In order to meet this level of subsidy bill on U.K. food imports, the Community would have to budget at least £500m. to cover the U.K. needs over a 12-month period. This is an amount going on for 25 per cent. of the Common Agricultural Budget, which in turn accounts for some 70 per cent. of the EEC budget.

WITHIN THE EUROPEAN COMMUNITY

Solidarity stretched to the limit

BY GUY DE JONQUIERES AND ROBIN REEVES IN BRUSSELS

ON MONDAY evening six of the 13 EEC Commissioners, sat down in Brussels to discuss the re-imposition by Italy of a surcharge on foreign currency transactions. Publicly, the Commission has been quick to rap Italy over the knuckles. But behind closed doors, the Commissioners reluctantly agreed that there was precious little that they could do about it, and that any effort to have the surcharge lifted would only risk aggravating Italy's difficulties.

Towards the end of the discussion, Herr Wilfried Haferkamp, the German Commissioner responsible for economic and monetary affairs, is said to have observed that it was bizarre that no-one had mentioned the problems posed by Britain's economic situation. But almost in the same breath he added that he could not think of any concrete proposals to make and the meeting broke up inconclusively.

This episode underlines the growing sense of helplessness in Brussels in the face of the deepening economic crisis now looming over the Community. Its political authority weakened by the approach of the end of its term in two months time, the European Commission seems at a loss to know what policies to advocate, still less how to put them into effect.

The European Community has weathered crises before, most recently the recession that started in 1974. But what is different this time is that there is now a clear threat to two of the fundamental principles underlying the EEC's existence over the past 20 years — the common market in industrial goods and the Common Agricultural Policy.

Italy has already taken a significant step towards restricting access to its market through the foreign currency surcharge and the positive import deposit scheme imposed earlier this year. The latter has already been extended twice and on the present timetable it will remain in force until next April at least.

The British Government is still staunchly resisting the temptation to resort to import controls, but its adamant refusal to agree to any devaluation of the Green Pound, despite unanimous urging from the rest of the EEC, is stretching Community solidarity to the limit.

However much U.K. Government Ministers may argue that Britain is doing the Community a favour by holding down food prices and therefore increasing consumption of food products which would otherwise end up as expensive surpluses, the signs are that the rest of the Community will simply not put

up indefinitely with a subsidy on U.K. food imports of £1.7m. a day. The majority of the Community undoubtedly agreed with the comment of one EEC Finance Minister at yesterday's special council to discuss the philosophy and workings of the green currency system. This was that monetary compensatory amounts (MCAs) were designed as a "temporary shock absorber" to protect common EEC farm prices against exchange rate in-

major reforms in the policy. But they seem to have no coherent proposals in mind and it is doubtful, to say the least, whether the rest of the Community will allow itself to be held to ransom and introduce changes which are not in its collective interest.

At yesterday's joint Finance and Agriculture Ministers meeting to discuss the Commission's plan for introducing automatic adjustments in green currency

means will be found of ensuring that the Government adopts a more reasonable, more Community-minded attitude and agrees to some programme of adjustment in the green pound. But the row over the green pound is only one dramatic symptom of a deeper malaise within the EEC. At its root is the fact that, instead of growing closer together, the economies of the Nine are drifting further apart. While Britain's and Italy's problems have dominated the headlines recently, France is struggling desperately to restore stability and Ireland's situation continues to deteriorate. The Benelux and Danish Governments have less acute problems, but not much room for manoeuvre. Only Germany can be said to be in anything like sound economic health.

Thus, when Mr. Callaghan appeals on television to Britain's international partners to help, it must also be remembered that a good number of them are limited in their ability to do so. Moreover, the messy dispute over the green pound has hardly increased Britain's store of goodwill among the eight, already depleted since the U.K.'s entry into the EEC by its demand for a separate seat at the North-South dialogue last year and its current insistence on 50-mile exclusive national fishing zones as part of the EEC's revised fisheries policy.

This has not prevented a good deal of study at expert level inside the EEC Commission of ways in which Britain might be helped. There is a general belief among economists in Brussels that the \$3.9bn. which Britain plans to draw on the International Monetary Fund will not be adequate to carry it over the coming months, and that other external financial aid will be needed.

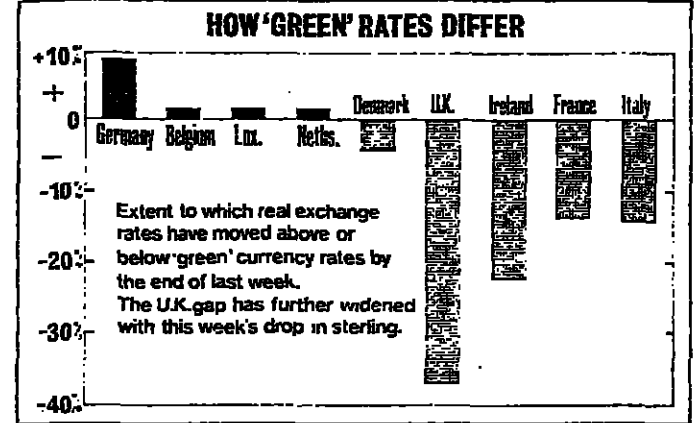
Quite what form this might take is still unclear. One possibility would be for the EEC to

issue a loan of the kind which raised \$1.3bn. for Italy earlier this year. But even this amount would probably go only part of the way towards solving the problem, and consideration is being given to the possibility of underwriting the sterling balances by means of an EEC exchange rate guarantee for sterling.

Beyond this, however, looms the much larger question of where the necessary financing would be found. Chancellor Schmidt has expressed sympathy for the British Government's fight and has backed this up by supporting the U.K.'s campaign against EEC Commission proposals for a gradual realignment in green parities. But in public, at least, the tendency of the German government has been to emphasise the assistance it has already given Britain rather than to offer to give more.

Germany is clearly acutely aware that, given the economic problems besetting other members of the Nine, it would have to shoulder the lion's share of any EEC aid to Britain and with it, however indirectly, an unwelcome responsibility for economic policies pursued by another member state. For this reason, officials in Bonn have been insisting recently that any credit arrangements going beyond the U.K.'s planned IMF drawing should be set up on a broader international basis involving the U.S. and Japan.

So long as this attitude prevails, and while other members of the Nine remain economically hard-pressed, it would clearly be an illusion for Britain to look to the EEC alone for its financial salvation. For recent months have shown that, as a whole, the Community is no bigger than the sum of its parts, and that the very nature of the equation that holds them together is under serious challenge.



rates, Mr. Joel Barnett, the Treasury Secretary, and Mr. John Silkin, the Agriculture Minister, would have been isolated in their opposition of principle but for a measure of support from the Germans. But given Bonn's regular preoccupation with the cost of the Community, this support cannot be taken for granted. It was only nous from the Government's point of view that even Herr Josef Ertl, the German Farm Minister, joined in the chorus of demands for a 4.5 per cent. green pound adjustment immediately.

Britain is arguing from a position of relative weakness and the signs are that ways and

sterling's latest fall threatens to push up the MCA subsidies on U.K. food imports from 37.3 per cent. this week to over 40 per cent. next week and more than 44 per cent. the week after. At this rate, the Community stands to pay out £500m. in a full year towards the U.K. alone. The cost of MCAs will amount to 25 per cent. of the common farm budget, which in turn accounts for some 70 per cent. of total EEC budget.

British Ministers are muttering that this remarkable windfall benefit from the workings of the Common Agricultural Policy can be used to exact

Change of format for Ministers' talks on fishing

LARGELY due to pressure from France, EEC Foreign Ministers have decided to change the format of their planned talks in The Hague next week-end, at which further wrangling is expected over the shape of the Community's revised fisheries policy. The meeting will now be of the informal variety initiated by West Germany during its EEC presidency more than two years ago instead of the formal council

previously envisaged. Also, the meeting will start on Saturday morning, instead of late Friday afternoon.

It is not thought that these changes will inhibit Ministers from a full discussion of fisheries, and if any decisions are reached—notably on the questions of 200-mile EEC limits and mandates for negotiation with countries like Iceland—the machinery for formal endorsement can be set into motion swiftly. There are cautious hopes in Brussels that

next week-end's meeting will prove more productive than the last Foreign Ministers' council meeting at Luxembourg ten days ago, which foundered on Ireland's obstinate insistence that its partners agree to its demand for a 50-mile exclusive fishing zone, before approving negotiating mandates outside the EEC.

These hopes are based on extensive bilateral contacts undertaken between the Nine over the past week, and on talks which Mr. Finn Olav Gundelach, the EEC Commis-

sioner provisionally in charge of external affairs, is currently holding in Dublin with the Irish Foreign Minister, Dr. Garret Fitzgerald. Next week-end's meeting was originally called to discuss the Tindemans report on European union, though this looks like taking second place to fisheries. The change in the format of the talks stems from French objections to holding formal council meetings outside Brussels and Luxembourg, the venues specified in the Rome Treaty.

EEC jobless Spain mill nears m. level

BRUSSELS, Oct. 27.

OST 5m. Common Market figures are out of work, according to unemployment figures used by the EEC Commission.

The labour market situation not improved significantly in past month for the Community as a whole, said the mission in releasing its October assessment of the EEC employment situation.

The total is arrived at by adding together the latest monthly countries' unemployment figures, which show that a total 960,664 EEC citizens remain out of work, about the same as given in last month's statement.

The figures given for September, Britain topped the list with 1,385,770.

U.S. buys more with less

BY JOHN WICKS

ZURICH, Oct. 27.

PURCHASING power of employees is still highest in the U.S. and Canada, according to a survey of prices and pay in 41 major cities in the non-Common world, published by the Union Bank of Switzerland.

For a basket of selected goods and services, costing a sum equal to pay for rather over 124 working hours in London, an inhabitant of San Francisco would have to work less than 66 hours, and a Toronto employee less than 73 hours.

The survey, based on average earnings before tax and social security contributions of nine occupations, varying from bus drivers to department managers, shows that the greatest purchasing power in Europe is that of employees in Geneva, Amsterdam and Zurich, with between 69 and 91 working hours. The same purchases would cost the wages of 182 hours in Tokyo, almost 357 hours in Manila, and as much as 482 hours in Buenos Aires.

In absolute prices, the most expensive cities, as of mid-1976,

were Tokyo and Panama, where the basket priced at \$420.05 in London would have cost \$820.63 and \$788.53 respectively. In Europe, only Madrid and Milan were cheaper than London, with prices for the basket more than 50 per cent. above the London level in Scandinavia and Switzerland.

London had the cheapest women's clothes (of expensive and medium price ranges) in Europe, as well as the cheapest petrol. Only Dublin was cheaper in the European comparison for food prices.

Top absolute hourly earnings were those in Chicago, New York and San Francisco for the nine occupations reviewed, followed by Geneva, Los Angeles, Zurich, Toronto, Montreal and Copenhagen. A departmental manager earning a gross \$10,888 annually in London would receive some \$28,513 in Chicago, and \$26,385 in Copenhagen.

The bank points out that important changes in the picture of income comparisons and purchasing power emerge in after-tax figures.



About those slap-up expense account lunches you have.

You don't need us to remind you of the pressures on senior management in industry these days. You might, however, find our help in easing those same pressures unexpectedly effective. We improve materials handling systems. We are better at it than anyone else in Europe. That is to say, Lansing Bagnall fork trucks improve the movement of materials to machines, of parts to assembly points, of finished products to storage or loading bays.

This helps maintain production schedules, helps avoid congestion and delay, helps reduce waste (for example, by enabling accurate stock rotation). Time and again, we have seen well-applied materials handling reduce friction between sections, between departments, reduce physical fatigue and injury, reduce costs in unexpected ways. Such improvements can do wonders for your digestion. Next time one of your managers wants to discuss his handling problems, do so. Then call us.

Lansing Bagnall

Kingsclere Road, Basingstoke. Telephone: Basingstoke 3131

Colonial hangover in Geneva

For as long as this remains a starting position for negotiations, unity could well be maintained. But the problems are likely to begin as soon as real bargaining begins. There is no doubt that range suits will be to be discussed at the release of detainees, through the ordering of security and defence to economic and social administration. There are conflicting views on all these matters within the nationalities groups; each of their leaders must think of their own political constituencies — some of whom they example include guerrilla forces, and some do not; some have proved internal popular approval and some not; some are strong and some weak. The question will be personal and power rivalries and the vital question of who gets which jobs.

Mr. Ivor Richard, and his officials here are well aware of the problems and pitfalls and they seem to have got agreed that there is at least that the conference should be played in as low key as possible, and as far as possible out of the public eye, at least in the opening stages. The aim appears to be to avoid an early confrontation in the air between the two sides in the activity by them and by the observers of the frontlines.

Presidents the U.S. and others will slowly build up some sort of confidence, at least to the point where no one will walk out. The motto seems to be walk away from it if you can't get your settlement by Christmas.

But few people with any experience of Rhodesia are taking bets yet.



Some observers here saw some shift in Mr. Smith's position on the Rhodesian conference at the weekend and that on Monday, after he had heard reports that Dr. Kissinger had stated (not in fact for the first time) the package to be negotiable. In particular, the Rhodesian Prime Minister said that the interim period could be less than two years, and that some details—such as membership of the Council of States—could be negotiable within the framework of the agreement.

However, many people still fear that the Victoria Bridge parallel could prove accurate.

Of course, it is the Democrats who have been leading the legal opposition to his candidacy, simply because he is perceived as a threat to Mr. Carter. This was the case in both New York and Virginia yesterday, as it was in the Federal Election Commission last month when he was denied access to Federal funds (if he gets five per cent. of the vote next Tuesday, then he will be entitled to subsidies for the future).

been awarded to the contracting division of Mather and Platt (Exports) by the Qatari Ministry of Public Works. Pencil, John Taylor are consulting engineers for both schemes, which are concerned with sewage and irrigation schemes in and around Doha, the State capital. Both contracts cover procurement, shipping, erection and commissioning of the equipment.

Two of the units will be situated in a new building at Suva and the others will be at Port Salomon and Ismailia. Each will have a 24-hour Japant capability of 19 tons of wheat.

ON OTHER PAGES

International Company News
Gloom at Gramscys
Kommers: CDRs
...and the New National
Record world wheat crop

Although the overall commander is expected to be Lt. Gen. Ali al-Sharar of Saudi Arabia, Mr. Sarkis was reported to be thinking of appointing a Lebanese commander as well. The first function of the force is expected to be the reopening

A commentator on the Government television station said the movement of Syrian and Palestinian reinforcements into southern Lebanon may well be seen as crossing the danger point, after which "Israel will have to take steps."

"The policy of Israel is not to intervene in the internal affairs of Lebanon," Rabin told Parliament in Jerusalem. He said Israel had a humanitarian

been awarded to the contracting division of Mather and Platt (Exports) by the Qatari Ministry of Public Works. Pencil, John Taylor are consulting engineers for both schemes, which are concerned with sewage and irrigation schemes in and around Doha, the State capital. Both contracts cover procurement, shipping, erection and commissioning of the equipment.

Two of the units will be situated in a new building at Suva and the others will be at Port Salomon and Ismailia. Each will have a 24-hour Japant capability of 19 tons of wheat.

ON OTHER PAGES

International Company News
Gloom at Gramscys
Kommers: CDRs
...and the New National
Record world wheat crop

Two of the units will be situated in a new building at Suva and the others will be at Port Salomon and Ismailia. Each will have a 24-hour Japant capability of 19 tons of wheat.

ON OTHER PAGES

International Company News
Gloom at Gramscys
Kommers: CDRs
...and the New National
Record world wheat crop

Gloom at Congress
Kontzen, CDRs
arming and Ray McGovern
Record world wheat crop

WORLD TRADE NEWS

Plans for export restraint denied

Our Own Correspondent

TOKYO, Oct. 27. Japanese Government officials and industry spokesmen said today that Japan has no plans to recommend voluntary restraints on exports to Europe in the near future, except in the case of cars.

They were commenting on a statement in Brussels yesterday by Mr. Doko, president of the Japanese Economic Organisation (Keidanren).

However, sources in Tokyo said yesterday that this statement from the Government is only to have any effect on the voluntary agreements between Japanese and European countries.

Doko, who is leading a Japanese delegation currently in Europe, said the mission was to recommend voluntary restraints on exports to its members in an effort to cut down the trade surplus with the EEC.

A spokesman for the Japanese Electronics Industry Association said the industry plans to restore voluntary restraints on its exports.

Mr. Doko said it did not mean to exercise voluntary restraints on its exports to Western Europe and believes other Japanese automobile manufacturers are in the same position. A spokesman for the Ministry of International Trade and Industry said Mr. Doko was probably expressing the government's hope.

Japan's ship export orders well ahead of expectations

By Charles Smith

TOKYO, Oct. 27.

JAPAN'S ship export orders during the first half of the current fiscal year (April to September inclusive) are running well ahead of expectations, the Japan Ship Exporters' Association revealed today.

Orders booked during the six-month period totalled 3,143m. gross tons compared with orders of 2,677m. tons in the first half of Fiscal 1975.

This means that the industry is running far ahead of the export order target of 5m. tons which it set itself at the beginning of the year. The 5m. ton target was upgraded recently to 5.5m. tons.

an export forecast for the year of 5.4m. tons but there appears to be a good chance that this too might be exceeded.

The Ship Exporters' Association attributes the strong performance of export orders primarily to the fact that prices have stopped falling.

Shipowners are thus buying in order to avoid having to pay more when the market picks up further. Another important factor is the price differential between the Japanese and European shipbuilding industries.

The Japanese admit this is a substantial although they "doubt" Press estimates that

the difference is sometimes as high as 40 per cent.

Japanese ship export contracts are nowadays almost always written in yen. The fear by importers that the yen might strengthen (justified during the past six months) could have been another factor in accelerating the placing of ship orders.

Despite the impressive volume of new orders the share of ships in Japan's total exports declined slightly in the first six months of the fiscal year, to 10.4 per cent, compared with 10.8 per cent, a year earlier.

Exports were up 18 per cent by value on a customs clearance basis to a total of \$3,525m.

Anglo-Soviet talks on gas deal

By Margaret Hughes

A SOVIET delegation is currently in Britain to negotiate a contract for the construction of gas compressor stations, which could become the biggest deal in the history of Anglo-Soviet trade.

Originally the Soviet team had been expected to visit Britain in August but the visit was postponed for what were understood to be strictly routine reasons.

The British contractors involved in the negotiations are GEC Gas Turbines, a subsidiary of GEC and COBERRROW, a consortium made up of Cooper Bessemer, Rolls-Royce and Williams Brothers.

The contract is for the construction of gas compressor stations built around 50 light-weight turbine-gas compressor units powered by Rolls-Royce

manufactured Avon engines. These stations are intended to pump gas through more than 600 miles of gas pipeline running south west from western Siberian gas fields to the Ural mountain city of Chelyabinsk.

The deal is understood to be worth over £100m. and if awarded to British companies would provide a much needed boost for Anglo-Soviet trade, which has never quite lived up to the high expectations forecast in February, 1975 when the Prime Minister Harold Wilson announced the £55m. special export credits deal with the Soviet Union.

Only last week both Mr. James Callaghan, the Prime Minister, and Mr. Edmund Dell, Secretary for Trade, expressed concern at the miserably low level of trade

between the two countries, pointing in particular to a rise in U.K. exports to the Soviet Union in the first nine months of this year of only 12 per cent, compared with an increase in Soviet exports to this country over the same period of 82 per cent.

So far only £42m. of the special credit has been utilised by the Soviets despite assurances from very high levels earlier this year that almost all of the credit would be used by the end of this year.

If the gas compressor contract does finally come to Britain it could well open the way for Soviet purchases of hundreds of additional lightweight turbine gas compressor units for more than 18,000 miles of gas pipeline scheduled to be laid during the current five-year plan.

Reed may develop big timber tract

TORONTO, Oct. 27.

REED PAPER said it will be granted a 21-year licence to develop a 19,000 square mile tract of Crown timber in north-western Ontario, if studies prove the proposal to be feasible and environmentally sound.

The company said a memorandum between the Ontario government and Reed Limited, its principal subsidiary, calls for an 18-month study of the proposed project by the Ontario Resources Department.

The area includes 12,200 square miles of productive forest and an estimated 6,700 square miles of unproductive land, Reed said.

Reed said it will repay the Government for inventories and studies if the proposal proves feasible and a licence is issued, and will finance studies on the area affected by the first forest operating plan.

The company said the memorandum proposes establishment of a kraft pulp mill with a 1,000 tons per day capacity and a sawmill or sawmills with an annual capacity of about 275m. board feet.

Reed added construction of a pulp mill at a Government-approved site would begin within two years of a licence being granted.

Reuter

Guyana line of credit

The Export Credits Guarantee Department has guaranteed the first line of credit for Guyana, which Lloyds Bank has arranged with Guyana National Co-operative Bank. The loan will enable Guyanese buyers to place in the U.K. £5m. worth of contracts for capital plant and associated equipment.

BUCHAREST TRADE FAIR

Hopes for U.K. exports

At the close of the Bucharest International Trade Fair this week, most of the 36 British participating companies, representing a total of about 150 U.K. companies, were pleased by the commercial progress made during the Fair. A number of contracts were signed by them, ranging in value up to £500,000, and in addition most companies found the Romanians buying all their goods off the stand.

The principal British visitor to the fair was Lord Goronwy-Roberts, Minister of State at the Foreign Office, who combined Governmental discussions with a visit to the fair.

In addition to signing agreements covering double taxation and the protection of investments, he also visited the Romanian factory manufacturing parts for the Islander aircraft, another making parts for BAC and the factory, yet to start production, which will make Rolls-Royce Viper engines under licence.

Referring to his talks at the Ministry of Foreign Trade, Lord Goronwy-Roberts said that they had been very constructive and covered a lot of ground. From the Romanian point of view, one of the main problems discussed was the imposition of import controls on Romanian suits, shoes and shirts and the anti-dumping measures recently taken against Romanian exports of polyester fibres.

While these measures have not been received kindly by the Romanian Government, trade results for the first eight months of this year showed a surplus of £3.5m. to the Romanians out of a total trade turnover of £83m., thus reducing the strength of their complaints.

On the other side of the coin, certain British companies have complained about late payments and, in particular, the steel industry. While most of these problems seem to be sorting themselves out, there is no doubt

that the Romanians are short of hard currency. Companies report pressure from Romanian purchasers to conclude some form of counter trade and in particular to conclude cooperation agreements, where part of the cost of the equipment bought is covered by the supply of goods manufactured in Romania.

Romanian officials state, however, that they are satisfied with the £100m. credit offered by the Export Credits Guarantee Department over the next two years to cover the purchase of British goods by Romania.

The falling value of the pound also makes British goods more attractive, and while Romanian trade officials maintain that they look primarily for the best product and technology, there is evident pressure on the foreign trade enterprises to achieve the minimum prices.

Nonetheless, most British companies at the fair reported that they expect considerably increased sales next year, and the official estimate puts British exports at £80m. next year, comparing favourably with the £39.5m. exports achieved in 1975.

Following the floods last year, Romania placed a moratorium on all trade with the West, and cancelled some orders already made, resulting in a substantial reduction of imports from the West.

But while British exports have obviously been affected by this stoppage, exports from other Western countries, notably West Germany, have dropped much more sharply. West German exports for the first seven months of the year dropped from DM1,138m. in 1975 to DM725m.

Under the 1976-1980 Five Year Plan, the target for industrial growth is put at 10-11 per cent., with the main priorities on the chemical industry, metallurgy and, in particular, the steel industry. While production is to rise from 8.5m. tons in 1975 to about 17m. tons in 1980, heavy

engineering, electronics and automation and mining, both for lignite and copper.

Large projects are to be built in these fields, in addition to the development of a nuclear power programme, the building of the metro in Bucharest, new machine tools factories, the opening of a small car project and other major investments. Agriculture is also scheduled to increase production considerably.

With the exception of certain large projects under discussion in the aircraft and nuclear fields, it would seem that British companies will generally score in the supply of items of industrial equipment of relatively small value. Romanian policy concerning the large new projects is to build over the next five years as much as possible within Romania and only to buy individual items of high technology from the West. It does not seem to be Romanian policy to buy complete plants from the West, as has been the case with certain other Comecon countries, notably Poland.

However, it is clear that there are practically no opportunities for the sale of consumer goods to Romania. Certain cosmetic companies have sold products on a sale or return basis, but the value remains very low.

The political relationship between Romania and Britain has improved considerably following the visit by Sir Harold Wilson in September, 1975, when the two sides pledged to increase trade by two-and-a-half-times by 1980. This has been followed by a host of visits to Britain by Romanian Ministers, including the visit of the Foreign Trade Minister, Mr. Ion Patan, in March. Judging by the mood of the participants at the trade fair, this activity will pay considerable dividends, especially during the early part of next year, when a number of contracts are expected to be signed.

Dubai order for unley

NARD SUNLEY and Sons signed a contract with His Highness Sheikh Rashid, ruler of Dubai for supplementary works to the Dubai International Exhibition Centre, of supplementary works approximately £53m, bringing total value of the project to £9m.

Loan for Kenya

A global loan equivalent of £10m. (about 100 million Kenyan shillings) has been agreed by the European Investment Bank to the Development Finance Corporation of Kenya (DFC), which will on-lend the money to the Kenya Electricity Board (KEB) in order to support the operation of various trial ventures throughout the country. This is the first loan to be provided by the EIB to Kenya under the terms of the Lome Convention, the first financing operation by the bank for investments in English-speaking African countries.

U.K. sales increase 25%

By David Lascelles

MOSCOW, Oct. 27.

ANGLO-SOVIET trade increased 45 per cent. in the first nine months of this year, according to preliminary figures released here today by the Ministry of Foreign Trade.

The total turnover reached £95m., of which exactly two-thirds were accounted for by Soviet exports to Britain. However, the Russians point out that the U.K. sales rose by 25 per

cent. to £131m. This growth is well above the average for Soviet imports at a whole over that period, they say, and contradicts the view that they are not channelling enough business to Britain.

British figures for the same period show a slower trend, as was underlined by British Soviet exports at the recent anniversary meeting of the Soviet-British Chamber of Commerce.

Avrail move 'unfortunate'

By Kenneth Gooding

CARACAS, Oct. 26.

THE DECISION of the U.K. consortium Avrail, in which the NEB has a 35 per cent. stake, not to tender for a multi-million Venezuelan railway project was "very unfortunate," said Mr. John Lang Taylor, U.K. Ambassador, here today.

Avrail pulled out of the running because of the highly unusual contract conditions and because it believed the cost would be more like £1bn. against the £350m. the Venezuelans are budgeting for.

Mr. Taylor said: "If they had waited, they probably could have negotiated something more sensible."

Prospects for the U.K. look much brighter as far as the

Caracas Metro contract is concerned. Mr. Taylor added, a consortium led by GEC is "right" up among the front runners for the £200m. electro-mechanical part of the project.

Similarly, the British had a good chance of being involved in the next phase of Venezuela's steel industry expansion, still some time away.

Low and Bonar deals

Middle East export contracts totalling over £15m. have been awarded to Bonar Long. The Dundee-based subsidiary of Low and Bonar Group in Abu Dhabi and Libya for supply of system and distribution transformers.

consumer credit control

by F.A.R. Bennion, M.A., barrister, formerly one of the Parliamentary Counsel (draftsmen of United Kingdom Government legislation)

"This major new work, by the draftsman of the Consumer Credit Act 1974, is notable for three important reasons. First, it contains a most detailed examination of the complex current consumer credit control legislation, with its attendant orders, regulations, circulars and ancillary publications, accordingly providing an invaluable, highly authoritative practical guide to this legislative jungle. Those who must tirelessly thread their way through it will undoubtedly welcome the author's special knowledge of its paths and pitfalls. Who better than a statute's creator to explain what it means and how its facets fit together?"

Secondly, the work is noteworthy for its publication techniques which are better seen than described. Firmly bound, it hinges (literally) on a sprung ringed filing base leaving plenty of space for additions. Perhaps its weight was, therefore, inevitable. Where it scores is in clarity of presentation. Every section has its own distinctively coloured divider tab, five in all, with the main divisions suitably split and designated. Moreover, each page is carefully marked at the top to indicate its topic and bears the subject description and printing date at the bottom. The pagination sequence, too, has clearly and cleverly been prepared with an eye on updating. . . . Certainly the publishers deserve unqualified praise for this excellent, meticulously designed initial work which has been produced to an outstanding level of care, clarity and attractiveness.

The work's third notable feature merits praise for publishers and author alike and, in the long run, demands the earnest attention of everyone concerned with preparing, understanding and implementing new legislation. For it is this facet which potentially has the most far-reaching implications: this is the technique, novel in its underlying concept, devised by the author, and here demonstrated in detail, of expounding complicated enactments by means of a carefully restructured Annotated Restatement, presenting the legislative language in almost the same terms as the original but bringing together disconnected provisions so that they can be read and understood as a unified whole, not merely by narrative paraphrase or summarised exposition. This intriguing idea, emphasising always the statutory insinuation, is the project's linchpin. In addition, the work reprints statutory and associated verbatim in its Sources section and contains sections for case reports, forms and precedents and narrative introductory exposition, as well as Tables of Statutes, Regulations and Cases and an Index.

Readers and users of this fascinating, timely work may well feel that they are catching a revealing glimpse of the future as well as learning about the present law concerning consumer credit control. The author and his publishers may have placed a trail which others later come to regard as the routine route to expounding and presenting parliamentary pronouncements."

To be up-dated regularly.

The Solicitor's Journal

Just published, the work will be kept up to date by means of additional or replacement pages, which will be issued as often as is necessary to ensure that users are kept fully abreast of all developments. The price of the loose-leaf volume is £40 (postage £1). All purchasers will be sent the up-dating material automatically (unless otherwise requested) and will be invoiced for each individual release at the time of publication.

Oyez

Oyez Publishing Limited
Oyez House, PO Box 55,
237 Long Lane, London SE1 4PU
Telephone 01-407 8055
A subsidiary of The Solicitors
Law Stationery Society, Limited

A BANK YOU MAY NEVER HAVE HEARD OF CAN HANDLE YOUR MAJOR INTERNATIONAL PROJECTS.

Not too many people know our name, DG BANK. But we are one of the biggest in West Germany. We're the central bank of a group with more than 19,500 offices. So we cover the Federal Republic like no other banking system. Those thousands of offices with their millions of depositors put thousands of millions of marks at our disposal.

We also raise long-term funds by issuing our own bearer bonds. As a world-wide commercial bank, we have borrowers in eighty countries. In addition, we offer a wide range of investment banking services, including syndication and Eurobond trading. With international subsidiaries, affiliated banks and representative offices we're

a growing force in the world's important financial centers. There's hardly any project we can't handle. So get in touch with us if you've got international business to do. DG BANK Deutsche Genossenschaftsbank, Taunustor 3, Postfach 2628, D-6000 Frankfurt (Main) 1, West Germany.

DG BANK

Deutsche Genossenschaftsbank

THE BROADLY BASED BANK.

“How can ITT justify spending £31 million on imports?”

There's only one way to justify a big import bill.

An even bigger export total.

Which is exactly what ITT companies in Britain were able to deliver in 1974, when the recent economic recession was beginning to bite.

Selling products as diverse as under-sea telephone systems and cosmetics,

ITT exports totalled £57 million to set against the £31 million import bill.

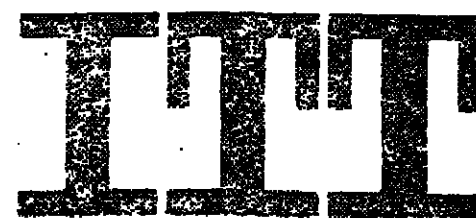
In 1975, as business conditions became even tougher, ITT's figures were somewhat different from the previous year's.

Exports up to £68 million.

Imports down to £25 million.

Which is one trade gap ITT will be happy to see grow wider every year.

ITT companies in Britain include: Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables and Standard Telecommunication Laboratories. For further information, including the latest edition of a 20-page publication "Facts about ITT in Europe," please write to 190 Strand, London WC2R 1DU.



Cement prices
next month
more rises

Commuters find
worse than cars
says Marsh

Fastener industry
monopoly probe

Relocate
with
confidence
in
CW

HOME NEWS

Challenge on 'weakness' to Schools Inspectorate

By MICHAEL DIXON, EDUCATION CORRESPONDENT

SHARP attack on the Schools Inspectorate and the Department of Education and Science has been made by Sir Alex Smith, chairman of the Schools Council, in a letter to-day to the Prime Minister.

The council, criticised by the inspectorate and the department, has been preparing a report on a survey of schools in England and Wales. Its institution guarantees teachers a majority in its governing body.

The chairman's letter quotes a claim made in the brief that the inspectorate is "the most useful single agency to influence what goes on in schools, in kind and standard."

So, Sir Alex challenges, what the inspectorate has done in the past decade or two during which weaknesses have been developing in the school system.

At the brief, he adds, content is not a word of criticism of the inspectorate. "On the contrary, it blandly suggests an answer."

Neither does the report say anything about the letter from the Department of Education and Science. Instead, it throws light on others, at the unions and at the Schools Council.

It defines a new role for the Schools Council, which is to be a "partnership" with the Ministry of Education, which is to be a "partnership" with the Ministry of Education, which is to be a "partnership" with the Ministry of Education.

Criticism of unions is surprising, Sir Alex tells Mr. Callaghan, when the Government's policy is to involve unions fully in the making of policy and decisions. "I would add that I am as concerned as anyone at the steady infiltration into our schools of people with political commitment to tear down the fabric of our society."

The Schools Council chairman, who was an industrial manager before becoming director of Manchester Polytechnic, goes on to the worries expressed by the Prime Minister about relations between the education system and industry.

Two suggestions

The whole education service deserves some heavy criticism for the situation that exists, the letter declares. But this position cannot be changed by coercion, such as pressuring young people to take particular courses.

"It will only be changed by changing attitudes, by making the involvement in the means whereby we earn our living attractive and enabling young people to understand its significance."

A nation which claims to be educated should "understand, support and take pride in the means whereby it earns its living. This is not achieved at present."

Sir Alex offers two suggestions for achieving this aim: the first is to enable schools to teach about industrial society as part and parcel of the country's culture, just as they teach about

English literature and history. The Schools Council, he claims, is tackling the matter in co-operation with the Confederation of British Industry and the TUC.

The second approach I would like to see is a correction of the imbalance in higher education which has been produced by an over-expansion of full-time study. It is not surprising to me that this causes an alienation, particularly in our most able young people, from the world of industrial work and a preference for the academic or professional career."

The most profound challenge confronting education is to construct a new pattern of education based upon a partnership between the world of education and the world of work and that is something that calls out for a Government strategy."

Worry about the shortage of mathematics teachers was expressed yesterday by Mr. Laurie Buxton, Inner London Education Authority's chief inspector for mathematics.

Only about one in every three of the authority's 1,000 primary schools has a maths specialist, and the secondary schools could easily absorb a further 100 maths teachers.

Mr. Buxton was speaking at the introduction of the first of six booklets about the basics of maths teaching, which the authority intends to issue to heads of all its primary schools.

The booklets emphasises that learning tables and other rote learning should be a frustration among children if it is forced on them before they understand the meaning of the exercise.

British oil industry faces static market as prices rise

By RAY DAFTER, ENERGY CORRESPONDENT

THE U.K. oil industry, again seeking price increases, is faced with the prospect of an almost static market over the next few years, according to a forecast of energy demand.

Demand for U.K. oil products is expected to rise from last year's level of 16.6m. tons to 18.5m. tons in 1980, an increase of only 4.16 per cent, delegates at a London seminar on energy forecasts were told yesterday.

Between 1980 and 1985 the rise could be 9.3 per cent.

These forecasts are based on the assumption that there is no increase in the price of oil. The picture is much bleaker if the impact of crude oil prices of the Organisation of Oil Exporting Countries is taken into consideration. It is generally felt that members of the organisation will opt for a substantial increase at their meeting on December 15.

It is possible that crude prices might be raised by as much as 15 to 20 per cent.

Economic Models, which organised yesterday's meeting, believes that on the basis of a 10 per cent per annum increase in real terms, U.K. oil demand will grow to only 22.1m. tonnes by 1980 and 24.1m. tonnes by 1985.

Coal, natural gas and nuclear power generation are expected to increase their shares of the overall energy market whereas oil's share is expected to fall from 41.6 per cent in 1975 to 36.8 per cent in 1985. Economic Models says that some of the oil market might not be lost if the Government further delayed a decision on nuclear expansion.

Accountancy course warning

By Michael Dixon, Education Correspondent

LOCAL EDUCATION authorities are warning public money and young people's time by encouraging too easy pass levels in foundation courses for chartered accountancy, according to Mr. David Mashiter, president of the Association of Chartered Accountant Student Societies.

Pressure on polytechnics and colleges for high pass rates from the nine-month courses meant that hundreds of students were encouraged by a pass to continue in the domestic and never generation sectors is expected to decline over the next decade.

The state of the oil market, as outlined in these forecasts, underlines why major companies believe that there will be no need for new basic refinery capacity for at least a decade. It also substantiates never obtain a complete waste their concern that they might of money and represents a very have difficulty in passing on the inefficient allocation of resources.

Coal increase

Growth of oil sales would be affected by the effect of higher prices on the gross national product, by the need to conserve more energy and by the possible switch to other fuels, such as natural gas. Even without a price increase, the amount of oil used in the domestic and power generation sectors is expected to decline over the next decade.

The state of the oil market, as outlined in these forecasts, underlines why major companies believe that there will be no need for new basic refinery capacity for at least a decade. It also substantiates never obtain a complete waste their concern that they might of money and represents a very have difficulty in passing on the inefficient allocation of resources.

Property boosts pension funds

By Eric Short

PROPERTY is the only form of investment which would have enabled pension funds to keep their investment performance in line with inflation this year, according to figures released yesterday by Harris Graham and Partners, pension consultants.

Exempt property funds, which pay no tax, had an average return over the first nine months of the year of 11.5 per cent, against a rise of 10 per cent in the retail price index and 9.7 per cent in national average earnings.

The top property fund, Charities Property Unit Trust, rose 22.0 per cent in the period and all but two of the funds had a positive return.

Viewed over longer periods, however, the return on property has failed to keep pace with inflation. In the five years to the end of September, the retail price index rose by 98 per cent, but the average increase in property funds was only 56.8 per cent.

But the top performing equity funds, American Exempt and Japan Exempt, recorded rises of 26 per cent and 13.4 per cent, respectively. The overseas based funds have met with the pension scheme requirements.

Fixed-interest funds showed a positive return over the period of 7.8 per cent on average, but only the top performers matched inflation.

Mixed funds, where the institutions managing the funds control the proportion in each form of investment, did not break even, with an average loss of 1.3 per cent. These funds are designed to give the investment manager full discretion to use his expertise to meet changing investment situations.

But the top fund, Cannon Mixed Fund, had a rise of only 9.8 per cent, barely matching inflation.

Equities lost 8.7 per cent in the first nine months this year. This compares favourably with the 10.8 per cent drop in the FT-Actuaries All-Share Index. But the result has not conformed with the pension fund requirement that investment performance must keep pace with inflation, since pensions are linked to final salaries.

But the top performing equity funds, American Exempt and Japan Exempt, recorded rises of 26 per cent and 13.4 per cent, respectively. The overseas based funds have met with the pension scheme requirements.

Fixed-interest funds showed a positive return over the period of 7.8 per cent on average, but only the top performers matched inflation.

Mixed funds, where the institutions managing the funds control the proportion in each form of investment, did not break even, with an average loss of 1.3 per cent. These funds are designed to give the investment manager full discretion to use his expertise to meet changing investment situations.

But the top fund, Cannon Mixed Fund, had a rise of only 9.8 per cent, barely matching inflation.

Substitute tobacco launch delayed

By DAVID FISLOCK, SCIENCE EDITOR

RETTES which incorporate taste-made form of tobacco initially to be launched commercially before the middle of next year, Dr. Bentley, chief director at Imperial Chemicals, said yesterday.

A Hunter Committee, set up to provide guidelines on the acceptability of the new form of tobacco, would not be giving the final batch of data until the end of the year, he said.

A committee would need to pass three months and, until that came to a final decision, Imps would need a further three months to go for a commercial launch.

Smoking material, manufactured in Scotland by a company owned by ICI, is used to some extent as a case by the industry, with rural products are also examined by the committee, which is chaired by Dr. R. Hunter, vice-chancellor, Birmingham University.

New factory at Ardeer in Scotland and began producing Newing Material last summer is now producing at about half capacity.

A product — sometimes called "being stockpiled in the warehouse, since some regulations will not allow it to be turned into cigarettes until it has the approval of the Committee's approval.

A company has about 100 tonnes and expects to have when it goes into full production. But Imps will not show how long it will keep up output without clearance from the committee.

Water curbs in Yorkshire continue

RESERVOIRS in the western division of the Yorkshire Water Authority have reached 99 per cent of capacity with the north central at 96.4 per cent. The southern division has 85 per cent of capacity and only the south west, which was worst hit during the dry summer, is trailing at 65 per cent.

Household bans will continue in the southern division until stocks reach 90 per cent, and Drought Act restrictions in the south west until stocks reach 75 per cent, or until the new link with the River Derwent system is completed next month.

Underground levels on Humberside are rising, but slowly, says the authority, and pressure reductions plus the hosepipe ban are to continue.

reports highlights hidden costs of asthma

TRUE extent of distress caused by asthma in 1973 in England and Wales. Although mortality from asthma was low, says the report, this should not disguise the fact that severe and persistent attacks which did not respond to normal therapy could be fatal.

The report emphasises the need for people to seek medical attention at an early stage. Among children under 14, more boys than girls suffered from the illness. The majority of children developed symptoms before the age of five, but almost 70 per cent, shook them off as they got older.

About 1,200 deaths were caused by asthma in 1973 in England and Wales. Although mortality from asthma was low, says the report, this should not disguise the fact that severe and persistent attacks which did not respond to normal therapy could be fatal.

The report emphasises the need for people to seek medical attention at an early stage. Among children under 14, more boys than girls suffered from the illness. The majority of children developed symptoms before the age of five, but almost 70 per cent, shook them off as they got older.

Goldsmith complains of 'campaign'

JAMES GOLDSMITH said yesterday that journalists contributed to the Private Eye magazine, newspapers and radio to extend the Private Eye campaign against him.

It is in this way that the contributors of Private Eye have combined to create a climate in which it is difficult for there to be a fair trial of my legal proceedings," he said in evidence to the Queen's Bench Division Court.

James said a Private Eye of August also attacked him, Mr. Eric Levine, in an attempt "to drive a wedge between us as to embarrass general conduct of my case."

Addey, a public relations man, by putting improper pressure on them. Private Eye denies the allegation.

Sir James pointed to what he said were nine significant and deliberate inaccuracies in the article. One he said, was intended to convey the impression that he was trying to use the process of the courts to prevent legitimate journalistic investigation.

The article "reflects seriously upon the character and credibility of myself and my solicitor and upon my motives for commencing the various sets of proceedings."

Moreover, it deploys the evidence and arguments in favour of the Private Eye case... and thereby falls foul of the rule which clearly intended to discourage him from pursuing his legal proceedings. Since he started proceedings against Private Eye the magazine had published

lied derogatory articles about him in all but three issues, he said.

Sir James is seeking court orders for Mr. Ingram, committed to prison for the assets of Private Eye's publishers and main distributors, Pressdram and Moore-Harries, to be sequestered.

He has issued three civil libel writs and one criminal libel prosecution against Private Eye. On July 30 Private Eye was sent for trial at the Old Bailey on the criminal libel charge.

Mr. Lewis Hawser, QC, for Sir James, submitted that he was entitled to rely on evidence given in injunction proceedings brought by Sir James against Private Eye and heard by Mr. Justice Donaldson last July.

Mr. James Comyn, QC, for Private Eye, argued that evidence in any earlier proceedings was inadmissible in the present case. The hearing was adjourned until today, when the court will hear argument on the admissibility of the evidence.

Notice of Redemption

Ford International Capital Corporation

8% Guaranteed Debentures Due 1981

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Indenture dated as of December 1, 1970, under which the above designated debentures are issued, \$1,500,000 aggregate principal amount of such debentures of the following distinctive numbers have been drawn by lot for redemption on October 28, 1976, herein sometimes referred to as the redemption date:

| Sole Coupon Debentures | |
|------------------------|--|
| 34 | 1736 3644 5738 7122 8282 10086 11267 12823 14207 15589 16769 18128 19474 20770 22127 23478 |
| 18 | 1781 3770 5782 7202 8307 10091 11262 12844 14207 15589 16769 18128 19474 20770 22127 23478 |
| 19 | 1812 3772 5783 7203 8308 10092 11263 12845 14208 15590 16770 18129 19475 20771 22128 23479 |
| 20 | 1843 3773 5784 7204 8309 10093 11264 12846 14209 15591 16771 18130 19476 20772 22129 23480 |
| 21 | 1874 3774 5785 7205 8310 10094 11265 12847 14210 15592 16772 18131 19477 20773 22130 23481 |
| 22 | 1905 3775 5786 7206 8311 10095 11266 12848 14211 15593 16773 18132 19478 20774 22131 23482 |
| 23 | 1936 3776 5787 7207 8312 10096 11267 12849 14212 15594 16774 18133 19479 20775 22132 23483 |
| 24 | 1967 3777 5788 7208 8313 10097 11268 12850 14213 15595 16775 18134 19480 20776 22133 23484 |
| 25 | 1998 3778 5789 7209 8314 10098 11269 12851 14214 15596 16776 18135 19481 20777 22134 23485 |
| 26 | 2029 3779 5790 7210 8315 10099 11270 12852 14215 15597 16777 18136 19482 20778 22135 23486 |
| 27 | 2060 3780 5791 7211 8316 10100 11271 12853 14216 15598 16778 18137 19483 20779 22136 23487 |
| 28 | 2091 3781 5792 7212 8317 10101 11272 12854 14217 15599 16779 18138 19484 20780 22137 23488 |
| 29 | 2122 3782 5793 7213 8318 10102 11273 12855 14218 15600 16780 18139 19485 20781 22138 23489 |
| 30 | 2153 3783 5794 7214 8319 10103 11274 12856 14219 15601 16781 18140 19486 20782 22139 23490 |
| 31 | 2184 3784 5795 7215 8320 10104 11275 12857 14220 15602 16782 18141 19487 20783 22140 23491 |
| 32 | 2215 3785 5796 7216 8321 10105 11276 12858 14221 15603 16783 18142 19488 20784 22141 23492 |
| 33 | 2246 3786 5797 7217 8322 10106 11277 12859 14222 15604 16784 18143 19489 20785 22142 23493 |
| 34 | 2277 3787 5798 7218 8323 10107 11278 12860 14223 15605 16785 18144 19490 20786 22143 23494 |
| 35 | 2308 3788 5799 7219 8324 10108 11279 12861 14224 15606 16786 18145 19491 20787 22144 23495 |
| 36 | 2339 3789 5800 7220 8325 10109 11280 12862 14225 15607 16787 18146 19492 20788 22145 23496 |
| 37 | 2370 3790 5801 7221 8326 10110 11281 12863 14226 15608 16788 18147 19493 20789 22146 23497 |
| 38 | 2401 3791 5802 7222 8327 10111 11282 12864 14227 15609 16789 18148 19494 20790 22147 23498 |
| 39 | 2432 3792 5803 7223 8328 10112 11283 12865 14228 15610 16790 18149 19495 20791 22148 23499 |
| 40 | 2463 3793 5804 7224 8329 10113 11284 12866 14229 15611 16791 18150 19496 20792 22149 23500 |
| 41 | 2494 3794 5805 7225 8330 10114 11285 12867 14230 15612 16792 18151 19497 20793 22150 23501 |
| 42 | 2525 3795 5806 7226 8331 10115 11286 12868 14231 15613 16793 18152 19498 20794 22151 23502 |
| 43 | 2556 3796 5807 7227 8332 10116 11287 12869 14232 15614 16794 18153 19499 20795 22152 23503 |
| 44 | 2587 3797 5808 7228 8333 10117 11288 12870 14233 15615 16795 18154 19500 20796 22153 23504 |
| 45 | 2618 3798 5809 7229 8334 10118 11289 12871 14234 15616 16796 18155 19501 20797 22154 23505 |
| 46 | 2649 3799 5810 7230 8335 10119 11290 12872 14235 15617 16797 18156 19502 20798 22155 23506 |
| 47 | 2680 3800 5811 7231 8336 10120 11291 12873 14236 15618 16798 18157 19503 20799 22156 23507 |
| 48 | 2711 3801 5812 7232 8337 10121 11292 12874 14237 15619 16799 18158 19504 20800 22157 23508 |
| 49 | 2742 3802 5813 7233 8338 10122 11293 12875 14238 15620 16800 18159 19505 20801 22158 23509 |
| 50 | 2773 3803 5814 7234 8339 10123 11294 12876 14239 15621 16801 18160 19506 20802 22159 23510 |
| 51 | 2804 3804 5815 7235 8340 10124 11295 12877 14240 15622 16802 18161 19507 20803 22160 23511 |
| 52 | 2835 3805 5816 7236 8341 10125 11296 12878 14241 15623 16803 18162 19508 20804 22161 23512 |
| 53 | 2866 3806 5817 7237 8342 10126 11297 12879 14242 15624 16804 18163 19509 20805 22162 23513 |
| 54 | 2897 3807 5818 7238 8343 10127 11298 12880 14243 15625 16805 18164 19510 20806 22163 23514 |
| 55 | 2928 3808 5819 7239 8344 10128 11299 12881 14244 15626 16806 18165 19511 20807 22164 23515 |
| 56 | 2959 3809 5820 7240 8345 10129 11300 12882 14245 15627 16807 18166 19512 20808 22165 23516 |
| 57 | 2990 3810 5821 7241 8346 10130 11301 12883 14246 15628 16808 18167 19513 20809 22166 23517 |
| 58 | 3021 3811 5822 7242 8347 10131 11302 12884 14247 15629 16809 18168 19514 20810 22167 23518 |
| 59 | 3052 3812 5823 7243 8348 10132 11303 12885 14248 15630 16810 18169 19515 20811 22168 23519 |
| 60 | 3083 3813 5824 7244 8349 10133 11304 12886 14249 15631 16811 18170 19516 20812 22169 23520 |
| 61 | 3114 3814 5825 7245 8350 10134 11305 12887 14250 15632 16812 18171 19517 20813 22170 23521 |
| 62 | 3145 3815 5826 7246 8351 10135 11306 12888 14251 15633 16813 18172 19518 20814 22171 23522 |
| 63 | 3176 3816 5827 7247 8352 10136 11307 12889 14252 15634 16814 18173 19519 20815 22172 23523 |
| 64 | 3207 3817 5828 7248 8353 10137 11308 12890 14253 15635 16815 18174 19520 20816 22173 23524 |
| 65 | 3238 3818 5829 7249 8354 10138 11309 12891 14254 15636 16816 18175 19521 20817 22174 23525 |
| 66 | 3269 3819 5830 7250 8355 10139 11310 12892 14255 15637 16817 18176 19522 20818 22175 23526 |
| 67 | 3300 3820 5831 7251 8356 10140 11311 12893 14256 15638 16818 18177 19523 20819 22176 23527 |
| 68 | 3331 3821 5832 7252 8357 10141 11312 12894 14257 15639 16819 18178 19524 20820 22177 23528 |
| 69 | 3362 3822 5833 7253 8358 10142 11313 12895 14258 15640 16820 18179 19525 20821 22178 23529 |
| 70 | 3393 3823 5834 7254 8359 10143 11314 12896 14259 15641 16821 18180 19526 20822 22179 23530 |
| 71 | 3424 3824 5835 7255 8360 10144 11315 12897 14260 15642 16822 18181 19527 20823 22180 23531 |
| 72 | 3455 3825 5836 7256 8361 10145 11316 12898 14261 15643 16823 18182 19528 20824 22181 23532 |
| 73 | 3486 3826 5837 7257 8362 10146 11317 12899 14262 15644 16824 18183 19529 20825 22182 23533 |
| 74 | 3517 3827 5838 7258 8363 10147 11318 12900 14263 15645 16825 18184 19530 20826 22183 23534 |
| 75 | 3548 3828 5839 7259 8364 10148 11319 12901 14264 15646 16826 18185 19531 20827 22184 23535 |
| 76 | 3579 3829 5840 7260 8365 10149 11320 12902 14265 15647 16827 18186 19532 20828 22185 23536 |
| 77 | 3610 3830 5841 7261 8366 10150 11321 12903 14266 15648 16828 18187 |

BOOKS

Winston's way

BY C. P. SNOW

Winston S. Churchill: Vol. 3, 1922-1939 by Martin Gilbert Heinemann, £8.50, 1,167 pages

The fifth volume of the Churchill biography, covering one of the most desert passages of his life, is both a significant part of the future. The volume is long, immensely long, like the whole enterprise, too long. Dr. Gilbert had to continue on the scale in which the biography was begun, but even his fact and professional skill cannot get the story into proportion. It is reasonable enough to have Churchill's political campaign in the 30s against Hitler, Chamberlainian appeasement, national passivity, set out in full. But his campaign against any kind of self-government for India doesn't merit the same degree of detail. It was a place of folly which history swept away with devastating speed, as in fact it did the somewhat more imaginative Baldwin-Hallifax policy, and there is nothing left of any of those arguments, not even as voices from the past.

Saddled with the length of the first volumes, Dr. Gilbert couldn't make this one any more manageable. Granted whatever is the opposite of limitations, he has performed with meticulous historical judgment. The effect of his deliberate neutrality is to save Churchill from several accusations which have survived for half a century. For instance, it is now clear that he had to be overpersuaded almost overborne, about the return to the Gold Standard. His own instincts were with Keynes, but he was curiously diffident in the presence of persons whom he regarded as financial magicians, and in Sir Otto Niemeyer and Sir Montagu Norman he had two of the most incompetent magicians any Chancellor ever had.

In the General Strike, he earned much more bitterness than he deserved because of another, and on the whole disastrous, quality in his own temperament. He began with more sympathy for the miners — but a good deal better than none — than almost any of his colleagues. More than Baldwin, but he hadn't the elusive resources of that subtle and deeply wooded nature. Then unfortunately Churchill saw the possibility of arguing a case and going into action.

That was fatal. Once he had a case to absorb his forces, everything went into it, ego, body, soul. He had literally no time for anything else. He couldn't and never could, think of two things at once. It had happened about Gallipoli. It gave him, not entirely unenthusiastically, his reputation for bad judgment. In 1929 Keynes wrote of his "admiration for Churchill's energies of mind and his intense absorption of intellectual interest and elemental emotion in what is for the moment the matter in hand — which is his best quality."

Whether it was his best quality is a nice point. It was responsible for many of his disasters; and in 1940 for his major glory. During much of his career it was certainly responsible for a lot of his unpopularity. From Dr. Gilbert's scrupulous collection of evidence, it becomes more obvious why his colleagues disliked him and let Baldwin know that they preferred not to sit in Cabinet with him again. Of course many of them were envious. He was so much more gifted, eloquent, forceful, inventive, than the rest of them put together. But he was intolerable to be round a table with. He talked incessantly. Whenever he was occupied with one of his pet projects, which was nearly always, he wouldn't let go. He wouldn't stop arguing. He not only ground his colleagues down. He bored them. Anyone who has sat in meetings with a supremely egocentric controller, versed in all the latest news, will have a sneaking sympathy with them. The only character is not among equals. It is at the top. With which proposition he would have passionately agreed.

It isn't surprising that most of his peculiar menagerie of intimates were hero-worshippers prepared to listen to him indefinitely. That can't have been true of Beaverbrook, and the nature of their relationship, tough and enduring as it was, remained a mystery. Of the other young Robert Boothby comes out of this volume as the most independent and the one ready to risk giving advice which contradicted him; but even Boothby found that the only way to get such a word in edgeways was by letter.

It was the original intention of this giant set of volumes to let Churchill speak for himself. There is no difficulty about that. Churchill spoke a great deal, and wrote about as much. There can't be many better documented lives in English history. But the sheer amount of his own material does lead to a certain biographical distortion. A lot of his arguments, oral and written, were answered back. Dr. Gilbert has usually produced the answers, but not quite always. In the bitter controversies about air defence in the thirties, a reader unfamiliar with the sources might not get the impression that Churchill was often tending



Churchill on his way to deliver his first Budget as Chancellor of the Exchequer in April, 1915

to take himself as a mild shock to the system, right up to the beginning of the war, earning money by the most fly-by-night kinds of journalism, articles on marriage, divorce, the care of children, anything that came into his agents' head. He insisted on living in the style he con-

Who in fact decides?

BY GEOFFREY OWEN

The Power Game: An Examination of Decision-making in Government by Jack R. G. Gardyne and Nigel Lawson. Macmillan, £9.95, 202 pages

Books about decision-making in Government are often concerned to prove a political point or to prescribe changes in machinery. They will prevent the mistakes of the past from being repeated. The great virtue of *The Power Game*, written by two ex-journalists who are now practising politicians, is that it is written without apparent preconceptions and without political bias. The authors have the modest aim of shedding some light on the distribution of power and influence in the British political system, and they succeed.

Four major decisions are taken as case studies: the decision of successive Governments to start and continue with the Concorde project; the decision of the Home Government to abolish resale price maintenance; the decision of the Macmillan and Wilson Governments to seek EEC membership and the decision of the Wilson Government in 1964-66 not to devalue the pound.

The narrative, based on a mixture of published and unpublished sources (most of the latter being "non-attributable") may be incomplete or even wrong in some details, but the picture it presents is both plausible and balanced. What is particularly striking is the absence of a common theme, the fact that the influence of individual and institutions (among them the Prime Minister, the Civil Service, the back-bench MP, the industrial lobby, the Press) can operate quite differently on different issues, with chance often playing a significant part.

Several persons and groups are laid to rest in this book. One is the omnipotence of the Treas-

ury. Its opposition to Concorde was consistently overruled, first by Harold Macmillan (who was convinced in 1962 that the Treasury's anti-spending stance was likely to spark off a world slump) and later by Harold Wilson. It was a "saga of unrelied humiliation for the Treasury". Its scepticism about the economic benefits of EEC membership was ignored. In 1965, although senior Treasury officials were at one with Wilson in opposing devaluation they failed to persuade the Government to accept the economic policies which they thought necessary.

Another is the importance of the departmental Minister. The book contains a fascinating account of Edward Heath arriving somewhat fulkily at the Board of Trade (he had expected a bigger job), looking around for an issue which would enhance both the Tories' electoral prospects and his own reputation. He found it in the Concorde project, and through the House of Commons against the opposition of a strong industrial lobby and many Conservative MPs. It is true that the abolition of resale price maintenance had been a long-standing aim of the Government, but it was not until a crucial moment when the Government was wavering, the Prime Minister gave Heath his backing. But the astuteness and determination of Edward Heath himself was the crucial factor.

As for the power of the Prime Minister, this is best illustrated in relation to the devaluation issue in 1964-66. Harold Wilson ruthlessly used his personal position to prevent devaluation even from being mentioned (General de Gaulle's veto was a bonus). Let alone considered as a serious alternative to existing policies.

Although a few senior Ministers inclined towards devaluation, and key non-Civil Service advisers of the same view, it was only by combining the force of emotional and foreign

Shopping around

BY JOHN FLEMING

Denationalisation of Money by F. A. Hayek, IEA, Hobart Paper Special 70, £1.50, 108 pages

This book represents the development of an idea put forward by a Nobel prize-winning economist in a lecture last year (and subsequently published). The author found the implications of his idea so fascinating that he took "a few weeks" from his major commitment (completing his trilogy on law, legislation and liberty) to draft this book. Its central idea is both simple and persuasive: what people want from the money they use (and especially hold, is assurance as to the stability of its value. If suppliers of money were allowed to compete with one another the competitively successful supplier who would capture — or at least dominate — the market would be the one whose money was most stable in value. Free competition in money is thus a formula for avoiding both inflation and deflation.

In practice, Professor Hayek sees two possible sources of such competition. The first is to allow existing nations (for money to circulate freely across national borders — that is to abolish exchange controls. The second — which most of this book is devoted to — is the private introduction of a commodity-based currency. Hayek's concentration on the latter presumably reflects both his earlier discussion of the former and his explicit distrust of all governments, while most of his readers would in this context, probably be satisfied by the substitution of the Swiss franc for our own. This concentration is, probably to be regretted because it adds to the difficulty of follow-

ing a not very clear exposition of Hayek's money is a very interesting indeed, but an current evidence an indexed bond would be willingly held at a negotiated yield. This suggests that a bank offering them at a zero yield would find it difficult to make the loans necessary to back them. Thus despite the validity of his "banks" in present conditions (though he might be able to argue that low real rates would not occur if the return would not occur if the DM would be very profitable and the current low real rate of interest the incidence of taxes on the profitability of supplying a "unit of account" would be particularly useful as a "unit of account". However, he does not face the question whether profits, strictly interest rate, notes and coins would be very unattractive as a basis of taxation. (No to hold; their production would yield a "negative" overdrifts "would be tax-deductible".)

Hayek is surely right in thinking that any independent private supply of money would have to be based on commodities — this suggestion thus has much in common with the proposal for an international commodity reserve currency made by Hart, Keldner and others. I suspect that Hayek's estimate of the profit-making ability of a private bank issuing a commodity currency is exaggerated. If issued certificates repayable in kind (or other currencies) to the value of a commodity specified bundle of commodities, the bank's profit would be in the sale of the commodity, say, say, if I used it all to buy commodities, I would face a substantial bill for insurance and warehousing. This might be covered by re-lending part of the sums deposited, but the bank would have to be both liquid and offer a positive return in terms of commodities — where do such securities at present supply good money?

Chinese fraud exposed

BY ZARA STEINER

A Hidden Life: The Enigma of Sir Edmund Backhouse by Hugh Trevor-Roper, Macmillan £5.95, 316 pages

Professor Trevor-Roper's finest work was his report on *The Last Days of Hitler* and his long essay on European witchcraft. Both point to his main gifts: a flair for detection, for the kind of track-down done by an analyst of political or military intelligence. In his new book, these gifts find full scope.

In 1913, the Bodleian Library received a gift of 17,000 volumes of Chinese printed books from Sir Edmund Backhouse, sinologist, linguist, extraordinary world-traveller and co-author of the *Imperial Gazetteer of China*. The *Imperial Gazetteer* was a masterpiece of the *Empress Dowager*. To this day, his name appears on the marble "hall of fame" of the Bodleian's main benefactors.

In 1973, at Basel airport, Professor Trevor-Roper received a "distinguished Swiss" a large manuscript containing Backhouse's posthumous memoirs. The Regius Professor was thought to be the most appropriate recipient "since it was believed that, like Backhouse, I had spent some time in the British Secret Service." The two volumes turned out to be a masterpiece of the "discovery" of a personality at once preposterous and elusive. Deeply intrigued, Professor Trevor-Roper set off on what he himself describes as a new quest for Corvo.

The chase took Trevor-Roper from London bank vaults to the records of Upper Clyde Shipbuilders at Glasgow University, from the files of the American Bank Note Company to the Foreign Office records of British Ministers in Peking, from Basel to the Bodleian's archives and revealed a personality at once preposterous and elusive. Deeply intrigued, Professor Trevor-Roper set off on what he himself describes as a new quest for Corvo.

The chase took Trevor-Roper from London bank vaults to the records of Upper Clyde Shipbuilders at Glasgow University, from the files of the American Bank Note Company to the Foreign Office records of British Ministers in Peking, from Basel to the Bodleian's archives and revealed a personality at once preposterous and elusive. Deeply intrigued, Professor Trevor-Roper set off on what he himself describes as a new quest for Corvo.

Crimes

BY WILLIAM WEAVER

In Deep by Duncan Kyle, Collins £3.50, 221 pages

Kyle's latest is set on the icecap of north Greenland, really Ultime Thule. The technical details are plentiful, but always elegant. In this last story of men against the elements, both the men and the elements are strongly characterised; and by the time you have finished the book, you will have begun to feel the claustrophobia of life in windowless, underground caves. Of course, there is also a murder, a series of murders culminating in a tense battle amid the snow. An intelligent adventure story.

The China Expert by Michael Delving, Collins, £2.95, 191 pages

Dave Cannon, the American dealer in books, has English and Red Indian blood. He has been the protagonist of Michael Delving's previous quartet of books. This time the author has written a new man, Marius Kagan, an oriental art dealer and porcelain collector. Marius Kagan was a thoroughly enjoyable novel, or rather a series of short stories, from which the author has retired from the Russians or by the CIA, and devote himself to his art.

RUTH RENDELL

The Fallen Curtain

One finds it almost impossible to fault her. Indeed, so good are the stories that no one but a gross opinionist would wish to fault them. Sunday Times £3.75

TIM HEALD

Let Sleeping Dogs Die

Detective Simon Bognor's increasingly enthusiastic followers will delight in this fourth, comedy-thriller about his crazy exploits through the intricate world of kennels and championships. £3.50

MARGARET YORKE

Cast for Death

Her most successful Patrick Grant story, reminiscent of Ngaio Marsh. Spectator £3.35

HARRY KEMELMAN

Wednesday the Rabbi Got Wet

This is the sixth novel in the spectacularly successful series about Rabbi David Small, the endearing sleuth who can see the third side of any question with the aid of Talmudic reasoning. £3.45

HUTCHINSON CRIME

Published on October 13th

THE ARENA OF INTERNATIONAL FINANCE

by Charles A. Coombs, Former Senior Vice President of the Federal Reserve Bank of New York

For the first time a senior official of the Federal Reserve System, who was involved in major international decision making throughout the past twenty-five years, records his recollections of the starting and controversial events that really happened between the agreements at Bretton Woods, the collapse of the dollar, and the financial crisis of today. The author recently retired as Senior Vice President in charge of the Foreign Department of the New York Federal Reserve Bank and special manager of the Federal Open Market Account. During his many years in the important positions he has held, Dr. Coombs had constant contact with his opposite numbers in the leading nations of the Western world. He had a close relationship with the British Prime Minister, James Callaghan when he was Chancellor of the Exchequer as well as Lord Cobbold and Lord Croomer, Governors of the Bank of England.

Contents: The Gold Trap of Bretton Woods; The Kennedy Gold Pledge; The Basel Meetings; Creation of the Gold Pool; The Federal Reserve Swap Network; Dallas, November 22, 1963; The Sterling Base Strategy; The Devaluation of Sterling; The Breakdown of the Gold Pool; Devaluation of the French Franc; Defense of the Dollar, 1965-1968; Collapse of the Dollar; Index. 264 pages \$14.50/£7.95

Recently published and already a bestseller: FOREIGN EXCHANGE RISK by A.R. Prindle, Vice President, Morgan Guaranty Trust Company of New York, 180 pages \$11.80/£5.75

A comprehensive leaflet describing a wide range of books on Accounting and Financial Management is now available. Simply attach this advertisement to your letterhead if you would like a copy and send to John Lee at the address below.

JOHN WILEY & SONS LTD INTERNATIONAL PUBLISHERS Baffins Lane, Chichester, Sussex PO19 1UD, England

Fiction

Among misfits and others

BY ISABEL QUIGLY

A Sea-Grape Tree by Rosamond Lehmann, Collins, £3.50, 180 pages

The Abyss by Marguerite Yourcenar, Translated by Grace Frick in collaboration with the author, Weidenfeld and Nicolson, £4.95, 374 pages

Afternoon of a Good Woman by Nina Bayden, Macmillan, £3.50, 156 pages

Crying Out Loud by Jacky Gillott, Hodder and Stoughton, £4.25, 235 pages

The Navigator by Morris West, Collins, £3.95, 303 pages

Rosamond Lehmann's novels have been few and, in the last years, far between. A Sea-Grape Tree is her first book since the unfortunate piece of autobiography, A Year in the Emerald, in the sequel of the Windward Islands in 1928, it has, in English style, drifting in crisis after abandonment by a lover, joining a small colony of misfits and adventurers, the retired, the elderly and the eccentric, round Miss Star's hotel. Memories of the island's past and of her own combine with what happens in the present; a new love takes over from the first one and gradually, as we do, she comes to respect and even love the people she smiled at as we did, early in the book.

It is a short novel ending on a question of love, and with the hint of a sequel. Its strength lies in its atmosphere and in the piercing beauty of the writing, a beauty that makes it desirable to read and re-read certain passages (the first part: the first description of the sea-grape tree, of a monthly beach, an empty island, the sea from a boat or in it) as

if they were poetry; and to add their sensual power to the pictures of the inner landscape of the heroine's mind, its imagery, its subterranean sounds and reverberations. Words are used with a dazzling mixture of light and darkness, slowness and heaviness, when the time is disenchanted with perfect precision yet with an aura of association, a comet-like tail that, as in poetry, seems infinitely to extend the scope and effect of what is said.

Largely, long-term, the portrait of an age, so intellectual and its own main characters, with whom it is philosophically as well as personally concerned, Marguerite Yourcenar's *The Abyss* is at the very opposite end of the pole. It has a passionate concern for things of the mind, for ideas, for the framework of the intellect, and the climate of thought and emotion, and it is concerned with what was happening in the world and spiritually in its period seems formidable.

Without the almost weird degree of sympathy of her *Memoirs of Hadrian* that revolutionary work among historical novels, it has something of the same ability to take on the atmosphere, the physical limitations, the emotional and intellectual excitements and fears, torture and hell-fire, religion, its hero, illegitimate child of two cultures and two centuries, a philosopher, scientist, philosopher, suspected, mercenary, wanderer across Europe, North Africa and the Near East, to end in a prison in Brussels.

condemned to the stake but escaping it through suicide. His own intervention, which others raised or sunk by the hazards of life at a time of plague, wars and religious persecutions. Marguerite Yourcenar has transformed the historical novel into almost a new genre, a new kind of fiction.

Two more novels by women, about present-day urban English life, one describing things from the centre of whirling chaos, the other watching them with cool detachment. Nina Bayden's *Afternoon of a Good Woman* is the portrait of an age, so intellectual and its own main characters, with whom it is philosophically as well as personally concerned, Marguerite Yourcenar's *The Abyss* is at the very opposite end of the pole. It has a passionate concern for things of the mind, for ideas, for the framework of the intellect, and the climate of thought and emotion, and it is concerned with what was happening in the world and spiritually in its period seems formidable.

Without the almost weird degree of sympathy of her *Memoirs of Hadrian* that revolutionary work among historical novels, it has something of the same ability to take on the atmosphere, the physical limitations, the emotional and intellectual excitements and fears, torture and hell-fire, religion, its hero, illegitimate child of two cultures and two centuries, a philosopher, scientist, philosopher, suspected, mercenary, wanderer across Europe, North Africa and the Near East, to end in a prison in Brussels.

The Oxford Companion to Ships and the Sea

Edited by Peter Kemp

Splendidly illustrated and thoroughly comprehensive, *The Oxford Companion to Ships and the Sea* covers the seafaring history of the world from the first crude canoe of 5,000 years ago to the nuclear submarine of the modern age. Its 3,700 entries include biographies of navigators and explorers, admirals and pirates, writers, artists and designers, definitions of terms, articles on shipbuilding and seamanship, naval battles and naval lore, and the rich language of the sea. This is truly the book that all yachtsmen, naval people, and armchair sailors have been waiting for.

976 pages, 4 colour plates, 216 halftones, 187 line drawings, £12

Oxford University Press



The Technical Page

BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY

Waste heat recovery plant

AL NET revenue of 1000 can be achieved with a waste heat recovery plant, according to Arthur Bennett, Leslie Works, Newcastle upon Tyne (0632 656043).

The plant is based on a prototype which the company has been using for about a year. It is a range of equipment for both marine and power generation. Outputs available are 60, 100 and 1500 kW.

The price for the package of waste heat recovery plant is £12,000 referred to a unit running on a full load, and a 1.5p/unit electricity charge by the generating plant applications estimate the likely financial return indicated by the availability of the plant, but in no claim the company, is a

Scalable system likely to take longer than three years to pay for itself, unless more than 100 days a year are spent in harbour. Where export credit facilities are applicable, annual operating cost savings completely offset annual repayments.

These economic benefits are provided by the stated ability of the package to recover about 50 per cent of the theoretically available heat energy contained in diesel and gas turbine exhaust gases. Gross potential output expressed as a percentage of main engine power varies from about 6 per cent in the case of a slow speed, two-stroke loop scavange diesel to more than 30 per cent when operated in conjunction with an aero-type gas turbine.

Basically, the system consists of a heat exchanger boiler through which the main engine exhaust gas is fed to generate superheated low pressure steam. The steam can either be used directly for space heating applications, etc., or to drive a vertically mounted turbo-alternator, and thence to a condenser.

In land-based applications, the electricity generated is used to supplement the main generator output. In marine applications,

MACHINE TOOLS

Miller has NC on six axes

A RANGE of fourth generation, 5/6 axis universal horizontal boring and milling machines, designed to accept 2 to 6 axis numerical control, has been introduced by WMW, the machine tool group of the German Democratic Republic.

Capable of drilling, boring, milling, facing, recessing and screwcutting, the BFK range is made by Union, Gera, Thuringia. There are three basic machines. The BFK 110 is available in two versions, either with cross slide or with milling spindle plus optional cross slide attachment; BFK 130 has cross slide only, and the BFK 150 has a milling spindle with cross slide option. The designatory number indicates the machine's spindle diameter in millimetres.

Believed to be a unique feature of the range is the provision of a numerically controlled cross slide on the facing plate, giving full N.C. on all six co-ordinates.

A thyristor-controlled d.c. 20 kW main drive motor provides infinitely variable spindle speeds in four ranges from 3.55 to 1,000 rpm.

Maximum traverses are 1,000 mm for the boring spindle, 2,000 mm for the spindle head, and 1,800 mm column adjustment. Traverse speed on each axis is 4,000 mm/min, and maximum workpiece weight is 16,000 kg.

Feed speeds are: boring spindle, 14 increments, 0.03 to 2.8 mm/rev; spindle head, stepless, 8 to 1,000 mm/min; column, stepless, 0.8 to 1,000 mm/min. On the 130 and 150 hydraulic servo drives are provided on each axis, and on the 110 independent d.c. servo motors are used. Repeatability of traverse is stated to be 0.01 mm.

Substantial reductions in

METALWORKING

Brazing and welding of copper

A CODE of practice dealing with joining copper tube with a maximum diameter of 200mm, and maximum thickness of 4.5mm, and joining copper sheet of not more than 1.6mm thickness, has been published by the Heating and Ventilating Contractors Association (HVCA), as a permanent fixture (for example, badges, nameplates, packing pads) or to secure alignment prior to riveting, soldering, screw-fixing or drilling. The non-drying adhesive permits repositioning of parts.

ASSEMBLY

Simplifies component assembly

APPLICATION of pressure sensitive adhesive to components, to provide faster, easy assembly, has been simplified by a compact system introduced by 3M United Kingdom, Wigmore Street, London W1A 1ET (01-486 5522).

Called Scotch Assembly Aid, it consists of a dispenser carrying a six inch wide roll of adhesive. When most smooth or irregularly-surfaced parts are pressed against the acrylic adhesive, it adheres to the component. The part is then pulled away, and the adhesive breaks away from the roll conforming to the configuration of the part. Parts treated with the adhesive can be pressed into place and will adhere strongly in position. The system can be used either as a permanent fixing (for example, badges, nameplates, packing pads) or to secure alignment prior to riveting, soldering, screw-fixing or drilling. The non-drying adhesive permits repositioning of parts.

able sleeves is fitted to a precision brass cylinder, and the sleeve itself becomes the design element.

Called the Speedwell sleeve, the process is claimed as a major development by the maker, Strachan and Henshaw, Speedwell, Bristol BS5 7UZ (0272 558231), a Dickinson Robinson Group company.

Paper printers find a large amount of capital is tied up in printing cylinders which have to be preserved for possible re-uses. This applies mainly to the United Kingdom. Wigmore Street, London W1A 1ET (01-486 5522).

Called Scotch Assembly Aid, it consists of a dispenser carrying a six inch wide roll of adhesive. When most smooth or irregularly-surfaced parts are pressed against the acrylic adhesive, it adheres to the component. The part is then pulled away, and the adhesive breaks away from the roll conforming to the configuration of the part. Parts treated with the adhesive can be pressed into place and will adhere strongly in position. The system can be used either as a permanent fixing (for example, badges, nameplates, packing pads) or to secure alignment prior to riveting, soldering, screw-fixing or drilling. The non-drying adhesive permits repositioning of parts.

The plate cylinder is made to close tolerances and is slightly tapered. The sleeve is of fibre glass and reverse tapered to produce an interference fit on the cylinder by forcing compressed air between the sleeve and the roll. When the air line is removed the sleeve contracts uniformly.

High hoop stresses develop in the sleeve in its mounted position, ensuring a positive grip. It can be removed by reversing the procedure.

There are three types of sleeve. The first is for direct mounting of the printing plates on the sleeve itself. The second has a thin coating of rubber on to which plates are mounted, while the third type has a thicker coating of rubber which can be directly engraved, usually by laser.

The company says that although the sleeve system is suitable for any type of flexographic printing press, initial demand has been so high that supply is limited to users of Flexotex presses.

POWER

Remotely controlled generators

OPERATION of a lighting switch or an electrical appliance is sufficient to start any of the generating sets now being marketed under the Powermaid trade name by MIE Power (Generators), PO Box 10, Bishop Meadow Road, Loughborough, Leics.

Intended mainly for locations without mains supplies, each set has a diesel engine close-coupled to an alternator.

Starting and stopping can be initiated from a number of points and whether from a bedroom in a hotel or an outhouse on a farm. The set will stop running when the last light or appliance is switched off.

The sets are rated from 2kVA to 25kVA for standard, single or three phase voltages at either 50 Hz or 60 Hz with a voltage regulation of plus or minus 2 per cent, from no load to full load.

COMPONENTS

Control of speed is precise

BLE speed pulley drive unit designed to exhibit running characteristics of minimum noise and drive belt wear is ideal for applications where speed control under varying conditions is critical.

12S pulley drive provides variable speed ratio and is ideal for fitting to 3.5, 2.960, 2MA frame motors rated 5kW (20 h.p.).

act size of 340mm (13.375 in.) overall, it is useful in installations where space is available. The unit can slide thereby enabling it to be used with a drive comparison pulley misalignment problems.

Flowers exert side wall pressure on the drive proportion to the torque required to drive the load. As the load increases the grip on the pulley, constant pitch or constant driven speed are maintained under load conditions. Dynamic balancing of the pulley, with the action of the flowers, reduces belt wear to a minimum.

Power Transmission, Oldham, Featherstone Road, Oldham, Lancs OL9 9NA. 0481.

PROCESSING

ills and claims

ERIES and factories make pasta, and other pastry confectionary products, always a certain amount of waste or rejected food.

Switzerland, Fryma-Mas AG has developed a machine called the Biscuit-Boy which reduces biscuits, wafers, and similar foods to a fine friable powder suitable for re-use. Even products with a high proportion of fat, cream or fruit fillings handled with no problems, dried.

to be equally suitable for use or batch use, the machine consists of a 40-litre hopper from which the material is fed by gravity or by a two toothed rotating disc. The distance between the discs, which are at 1500 rpm by a 51kW motor, controls the fineness and output of the products.

Under ideal conditions, and constant supply of dry material, output is between 800 and 100 kg/hr. Where there is high chocolate, cream or fruit content, the feed rate must be reduced to 500 to 700 kg/hr. Heating and sieving time. Feed rate is also



anywhere you look in manufacturing industry, BE Group machines, equipment and know-how are helping to cut production costs. From rivets and riveting machines to parts feeding and assembly machines, weighing and weigh/count systems and many other automatic processes. BE Group members are specialists in creative engineering, design and manufacture. Couldn't you know more about it?

and today for the Guide to the BE Group

Group Head Office: Burcat Engineering Ltd., 3 Box 2, Mendeville Road, Newbury, Bucks HP 14 6AG. Tel: 0494 2511. Telex: 83221.

QUALITY CONTROL

Versatile colour checker

NOW MARKETING by BOC Automation is a system of colour assessment that allows considerable versatility by using a microprocessor unit to program various measurements.

Tristimulus measurement and production of the colour values is performed by an analogue to digital converter, the D-254 made by Hunterlab of Fairfax, Virginia, fed from one of their optical sensing heads. The latter are available for flat opaque, textured, granular, or metallic surfaces.

The separate processor unit in a small box contains eight easily programmable read only memories (about 100 steps each) and in operation the desired programs are selected from the front panel by pressing buttons. Main use of the system is in changing from one type of colour co-ordinate to another, but it can also be applied to deriving colour differences, standardising and shade sorting.

Main applications will be for industrial quality control in paper, paint, plastics, food and pharmaceutical plants. More on 01-748 2020.

MAINTENANCE

Hydraulic work platform

STOWING COMPACTLY to 4 feet 1 inch when not required, a four-wheel trailer-mounted hydraulic scissor-lift work-platform from Ry-Ryder can reach 21 feet 6 inches when fully extended.

Stated to be easily manoeuvrable by hand, and readily towed by a variety of factory or site-based vehicles at speeds up to 25 mph, the machine has an 8 x 4 feet platform which can carry a working load of 1,000 lbs. Controls are duplicated on the platform and at ground level.

Together with an alternative model giving a working height of 28 feet, the machines will be shown for the first time at the Public Works Exhibition, Birmingham (November 15-20). Details from Tasker and Booth, 616, Midland Road, Croydon. (01-884 6221.)

If you're going all out to win a major export contract, Lloyds Bank will go all out with you



Don Christopher, Deputy Chief Manager of our Export Finance Department, has travelled over 100,000 miles in the last eighteen months on behalf of British exporters.

If it's a major contract, it's not just a matter of putting up the money. It's a matter of getting personally involved.

After all, if you were thousands of miles from home, on your own, up against heavy competition and in the middle of some very delicate financial

negotiations, wouldn't you rather have a man from the bank with you?

That's why the managers of Lloyds Bank Export Finance Department travel thousands of miles every year to help British exporters win major contracts.

With long experience in top level negotiation in most major markets, and in the provision of numerous lines of credit, our Export Finance Department may well be able to help you with your next major contract.

For information, please contact Lloyds Bank Export Finance Department, 71 Lombard Street, London EC3P 3BS, telephone: 01-626 1500, or talk to the manager of your nearest branch of Lloyds Bank.



Lloyds Bank

Uncertain future for steel plant makers

THERE IS a serious danger that U.K. steel plant manufacturing will suffer permanent damage because of the long delays in the British Steel Corporation's ordering programme. At present the industry, which offers a full range of plant from ore unloading equipment to products, is working at only 70 per cent to 75 per cent of capacity. Now it faces a 25 per cent, or possibly 50 per cent, drop in its workload in real terms.

That was the stark message delivered recently by Mr. John Eccles, president of the Metallurgical Plantmakers Federation (MPF). He told the all-party Commons committee which is inquiring into the BSC that his industry faced the prospect of having to lay-off 8,000-10,000 of its workforce of 30,000-35,000.

As the plantmakers have stressed over the past few weeks, the first people to be affected would be the skilled design and engineering teams. If they break up the industry could not survive in anything like its present shape.

Obviously the companies would go to extreme lengths to keep these teams together. "Engineers are at the heart of plantmaking. They are the people who provide the jobs for the rest of us, managers and shopfloor alike," says Mr. Eccles. "But engineers are not happy unless they are doing engineering. We must give them some work or they will go elsewhere."

Any permanent damage to the U.K. industry could not only leave the BSC without the service it needs from its suppliers, but also leave Britain without an industry capable of joining what looks like being an international bonanza for steel plantmakers.

If the current world steel industry forecasts for the next

ten to 15 years are anything like accurate, then there will be a demand for steelmaking plant worth about £5bn. to £6bn. a year for that period.

Yet the U.K. steelmaking plant industry is getting out of shape and falling behind its foreign competition. The British steel industry generally has not been spending money on the extra-large projects the plantmakers need to gain essential experience.

And, while the BSC is not particularly influenced by some of the low prices offered by non-British suppliers, it has always insisted on buying the best available technology, no matter where it might originate. A good example here is that the corporation bought materials handling equipment from Allis-Chalmers, the American group, for the first phase of the redevelopment at Redcar.

But to put the possible threat to the U.K. industry into perspective, it must be pointed out that there are very few companies which would find their existence threatened by a gradual wasting away of plant-making for steel. This is true for the process plant makers like Mr. Eccles' own Head Wrightson group, for example, as well as for the various manufacturers of electrical systems, cranes and mechanical handling systems.

Some of them will certainly be able to switch resources and to concentrate more on some of their other markets. But this would take time and meanwhile jobs would have to go. And so would Britain's capability to provide steel plant.

The plantmakers do not blame the BSC for not providing them with as much work experience as they would have liked. Mr. Eccles points out that the corporation was originally 16 steel companies which had not been spending much on plant, so



Part of BSC's Anchor project at Scunthorpe. The Corporation's plans for future steel-making at Port Talbot and Scunthorpe have been further delayed by the Government last July, to the disappointment of plant makers.

the BSC had a lot to learn about placing large contracts.

The last really large strip mill to be installed by the U.K. steel industry was finished as long ago as 1962. In the meantime other countries have been building up their experience and expertise. Mr. Eccles admits: "The Japanese steel plants are better than ours in quality because they have had much more experience in building steel plants."

The plantmakers are looking to the BSC not only to provide them with desperately needed work but also to provide a "shop window" for the products they would hope to export. Potential overseas customers will be more ready to order from the U.K. when they can see for themselves British

equipment working well in a British steel plant. All this explains why the plantmakers were so elated when in 1972 the BSC announced its £3bn. (at 1972 prices) development programme. It seemed to offer the promise of a stable workload over an extended period and because of the "shop window" effect, would greatly improve their ability to win export orders. The industry was then looking for the possibility of splitting orders 50-50 between home and export markets, a target which it still believes to be a reasonable one.

The plantmakers reckon they will get about one third of every thing the BSC orders. And total expenditure was expected to work up to a peak in 1978 in £30m. a year.)

The major blow this year came in July when, instead of giving the expected go-ahead for another phenomenon began. The Corporation's plans for future steelmaking at Port Talbot and Scunthorpe in Wales, spending programme, and the Government delayed the decision still further by asking the BSC for another review of the proposal—and this after 21 years of deliberation.

The plantmakers had been counting particularly on the £600m. investment at Port Talbot to lift them out of the worst recession since the war.

There is also no doubt that the "no decision" statement by Mr. Eric Varley, the Industry Secretary, both startled and disappointed the plantmakers because up to the very last moment all the indications they were getting from the Government suggested that the Port Talbot project would be given the go-ahead. To this day they still do not know what caused Mr. Varley's last-minute change of course.

As Mr. Eccles told the Commons committee, while the industry's relationship with the BSC has been improving rapidly and contacts are close, relations with the Government are not so good. "For example, a number of the NEDO industrial strategy reports urged that a decision on Port Talbot and the other stages of development at Redcar were urgently needed," he said. "Almost immediately those comments had appeared we received news of the further delays in those decisions."

Almost before the plant-

makers had recovered from the disappointment about Port Talbot, they still insist that the original 1972 concept of modernised BSC was the right one. "If the engineering industry is to export satisfactorily, it must be serviced by modern steel mills. The basic economic of this proposition are in a way altered by inflation," says Mr. Eccles.

Having accepted that there is nothing to be done about the Port Talbot delay, the plant makers are searching for some practical solution to the problem of how the U.K. industry can survive until the next major BSC project materialises.

Their answer is that some of the smaller schemes which were squeezed out by the prospect of the huge expenditure on Port Talbot, and Redcar might not be revived without putting a great strain on the Corporation's finances.

"If the Corporation changed course, let us say of the smaller jobs going the gap. If it can find £100 million of projects between now and next spring it would be a great help," says Mr. Eccles.

What this does not do, however, is the export "window" problem. Nor does it change the fact that countries are modernising their steel industries or setting up new operations at a fair pace. As Mr. Len Ashby, past chairman of the industry, remarks: "The world is racing while we are still debating."

Time lag

The plantmakers, throughout the MPF reacted to all this with commendable calm and took a realistic approach. They recognised that there seemed no possibility of squeezing a decision on Port Talbot out of Mr. Varley for some time and decided not to waste their breath by shouting angrily about the delay. But they continue to press for firm guidance about the Corporation's future spending programme so they can at least begin to make some plans of their own. The plantmakers have pointed out that it can take about a year between the go-ahead being given by the BSC for any project and the actual manufacturing process starting. This time lag is occupied by contract negotiations, design work and production planning plus the purchase of raw materials. They still insist that the original 1972 concept of modernised BSC was the right one. "If the engineering industry is to export satisfactorily, it must be serviced by modern steel mills. The basic economic of this proposition are in a way altered by inflation," says Mr. Eccles.

ENTERTAINMENT GUIDE

| OPERA & BALLET | | THEATRES | | THEATRES | |
|---|--|--|--|--|--|
| COLISEUM (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | HER MAJESTY'S (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | WHITEHALL (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | |
| COVENT GARDEN (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | KING'S ROAD THEATRE (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | LYRIC (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | |
| SADLER'S WELLS (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | LYTTLETON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | MAY FAIR (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | |

CINEMAS

| | | | | | |
|---|--|---|--|---|--|
| ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | |
| ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | |
| ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | | ALPHATON (01-535 3161) Tonight: 7.30. Tomorrow: 2.30. Wednesday: 7.30. Thursday: 7.30. Friday: 7.30. Saturday: 2.30. Sunday: 7.30. | |

Before...and after.

Martini mixed with gin or vodka. One of the world's classical aperitifs. And after dinner you can stay with it all night. Served on the rocks, or with ice and soda.

Some people have even been known to have it before and after lunch. Before and after sailing, golf, riding. Before and after just about anything.

The right one.

Any way.

MARTINI

EXTRA DRY

CONCERTS

| |
|--|
| STATIONERS' HALL, LONDON. 11.00. Tomorrow at 8.00. Friday and Saturday at 8.00. Tickets: 975 1100 and at door. |
|--|

ART GALLERIES

| |
|--|
| MAAS GALLERY. Exhibition of watercolours, drawings and prints by J. C. W. Ward. 8.00 to 5.00. Tickets: 975 1100. |
| MAAS GALLERY. Exhibition of watercolours, drawings and prints by J. C. W. Ward. 8.00 to 5.00. Tickets: 975 1100. |
| MAAS GALLERY. Exhibition of watercolours, drawings and prints by J. C. W. Ward. 8.00 to 5.00. Tickets: 975 1100. |

These plans. Scher... for approved... no limit... separate in... They... But P... Any company... and benefit fr... So co... giving you the

Private Patients Plan helps keep them all in good shape.



These are just some of the top companies that choose PPP private health insurance with its choice of plans.

Schemes like Master Plan which covers all its subscribers for approved in-patient hospital expenses up to £10,000 p.a., sets no limit on the weekly benefit for private room charges and no separate limit on surgeon's fees.

They appreciate the flexibility of PPP plans and the substantial discounts for which company groups can qualify.

But PPP is not simply for the big names. Far from it. Any company can form a group with upwards of five subscribers and benefit from Private Patients Plan protection.

So complete and post the coupon today for a brochure giving you the full facts.

To: Private Patients Plan,
FREEPOST, TUNBRIDGE WELLS, Kent TN1 2YZ. (no postage is required)
Please send me details of (tick which schemes interest you).
Company group schemes ☐ Individual schemes ☐ (I am under 65 years of age)

Name _____

Company (if applicable) _____

Address _____

Telephone _____

Private Patients Plan

Private Patients Plan, Eynsham House, Tunbridge Wells, Kent, TN1 2PL. F128.10
Telephone: 0892 26255.
Established 1940. Organised by The Provident Association for Medical Care Limited.



PROTECTS

etc.

GENERAL APPOINTMENTS

GENERAL APPOINTMENTS ARE CONTINUED TODAY ON THE FOLLOWING PAGE

International Investment Banking

Well-established international merchant bank, headquartered in London, is seeking an international investment banker with over five years' experience in all corporate finance and underwriting activities with a leading house.

The appointment will be at Management level, and the successful applicant will report direct to the Executive Director. Present employees of the bank are aware of this vacancy.

Write, giving full details, to:
Box FT 427 c/o Hanway House,
5 Clark's Place, London EC2N 4BJ

Multinational Merchant Banking

We are seeking, for our Business Development Department, a young banker under 30 years of age with a minimum of 3 to 4 years experience, gained in an international environment, to work with the executive in charge of our activities in Latin America and parts of Western Europe. Ability to speak fluently in French and Spanish would be a distinct advantage. A willingness to undertake occasional business travel is essential.

Salary will be offered commensurate with experience and fringe benefits will be those normally associated with a first-class banking institution in London.

Applicants, male or female, may write in complete confidence, giving full details, to Mr. David E. Nye, Assistant Director & Secretary, London Multinational Bank Limited, 1 Union Court, Old Broad Street, London, EC2N 1EA.

Banking Central Pacific

A new Bank is being formed by an independent Republic on an island in the Pacific. The General Manager will be British and applications are invited for the following posts:

Manager
Overseas and International Banking Services
Accountant
Domestic and International Banking Services
Manager
International Investment Services
Accounts Controller
International Investment
Senior General Clerk
Domestic Operations
Senior General Clerk
International Operations
Ledger Supervisor (female)
Domestic and International Banking Services
Ledger Machinist (female)
Domestic and International Banking Services

These posts will particularly appeal to men and women who have served overseas and wish to continue to do so.

Remuneration is tax-free, payable in Australian dollars and agreeable accommodation is provided at nominal cost. Candidates of service for men would be four years with three months leave on completion of 24 months service. Appointments for women would be for one year followed by six weeks leave. Passages, including family, fully paid. Arrangements variable to suit social circumstances.

These positions are permanent and contracts are renewable by agreement. It is the intention that successful candidates join early in the New Year.

Write in complete confidence, quoting reference 341 to Charles Martin, Associates Ltd., Executive Selection Consultants, 23 College Hill, London EC4R 3PT, giving a summary of career including present details. Please state clearly for which post you are applying. Candidates for interview will be notified within 14 days.

CHARLES MARTIN
ASSOCIATES LIMITED

Merchant Banking-Europe

City c.£10,000

Contribute to the growth of a prominent International Merchant Bank

Our Client is looking to extend its business activities in Europe where it is already well represented through the shareholding banks.

As a member of the European team, you will assist in the marketing and development of the bank's services in France and Southern Europe generally, from the London base.

To qualify for this challenging position, you will be aged around 25-30 and bi-lingual in French and English, with good banking experience.

Applications in strict confidence to Norman Philpot.

Lloyd Executive

Brownlow House, 50-51 High Holborn, London WC1V 6ER, Tel. 01-405 3499

Head of Management Accounting

City c.£6,500

Leading International Bank

Our Client, one of the world's major banking groups, seeks a young banker to take responsibility for a vigorous Accounts team involved in most aspects of the bank's accounting operations.

Candidates, in the age group 28-34, will have sound banking experience of which the last 3 years will have been spent in an international bank in a management accounting capacity. A professional qualification in either banking or accountancy would be an advantage, and a mature and flexible personality is essential since the position will involve regular contact with senior management.

This is an exceptionally attractive opportunity offering genuine prospects for career development.

Applications in strict confidence to Tony Tucker.

Lloyd Executive

Brownlow House, 50-51 High Holborn, London WC1V 6ER, Tel. 01-405 3499

ACCOUNTANCY APPOINTMENTS

Group Controller

International Packaging Group

Home Counties Negotiable Salary

Our client is a manufacturer of specialised packaging for the food and consumer industries with plants in the U.K. and on the Continent. Rapid expansion has now brought turnover up to £20m.

To enable the Managing Director to devote more time to major new projects he requires someone to work closely with him on operational matters as well as taking on the financial control of the group. All the subsidiary companies are self-accounting, but the Group Controller will be personally responsible for such areas as pensions, insurance and finance which affect the whole group.

The ideal candidate will be a graduate with the intelligence needed to assess new opportunities and problems, and sufficient business experience to make reliable judgments. He or she will have a professional accountancy qualification. We are looking for someone with sufficient knowledge of industry to fill a senior position on appointment.

Salary and benefits will not be the limiting factor in making the appointment and, with the planned growth of the group both in the U.K. and Europe, there should be opportunities for further advancement.

Please write in confidence, enclosing concise personal and career details to J. D. Atcherley quoting reference M843 FT

AMS

Arthur Young
Management Services
Moor House, London Wall
London EC2Y 5HP

CHIEF ACCOUNTANT AND FINANCIAL CONTROLLER

c£8,500 Negotiable

City

The city H.Q. of a leading timber and builders' merchant group with wide U.K. coverage, as well as overseas interests, requires a Chief Accountant/Financial Controller. Duties will include responsibility for consolidated accounts, control of group finances, cash flow forecasts, budgets, foreign exchange transactions, evaluation of projects and acquisitions and general advice to the board on all financial and accountancy aspects of group operations.

The post requires a highly competent and versatile accountant, able to work harmoniously as a member of a compact management team. Preference will be given to applicants with about 10 years' post-qualification experience, preferably in distributive or other relevant commercial field, and seeking a permanent career. Salary negotiable around £8,500, depending on experience. Good pension scheme.

Applications in writing from Male or Female candidates, giving a brief c.v., to Brian Luxton quoting reference 5760.

mb Mervyn Hughes Group
59 St. Mary Ave, London EC3A 8AR
Management Recruitment Consultants
01-293 0037 (24 hours) Telex: 867918

money management

financial analyst

We are looking for:

He will be responsible for financing cash-management and foreign exchange management. The candidate should be a university graduate with 2 to 3 years experience in American accounting systems and financial analysis.

financial trainee

After a training period he will be responsible for project-work in cash-management in different European countries. Previous experience is not a must.

For both positions a good knowledge of English as well as a willingness to travel is required.

Submit your detailed curriculum vitae to:
Blue Bell Europe, B. Dzialak, Employment Manager Europe,
rue de Brabant 62, 1030 Brussels, Belgium.

Wrangler

CREDIT ASSISTANT

The London Branch of one of the largest German banks is looking for a Credit Assistant with experience in analysis of U.K. and international companies.

Salary is above average for the right person and we offer excellent fringe benefits.

Please write in confidence with brief relevant career details to:—
WESTDEUTSCHE LANDESBANK GIROZENTRALE
21, Austin Friars,
London EC2N 2HB.
Attention Mrs. L. Thurlow.

APPOINTMENTS

APPEAR

EVERY THURSDAY

£11 per single column centimetre

For further details contact:

James Jarratt 01-248 8000, Ext. 539
Financial Times, 10 Cannon Street,
London EC4P 4BY.

57% of Accountants
in Senior Management positions
in Industry and Commerce read the
FINANCIAL TIMES*

*Source:
Mass Observation (U.K.) Limited

APPOINTMENTS WANTED

FORMER S.E. MEMBER, 36, wide business experience and connections, and proven profitability record seeks challenging position in investment/finance field. Write: Box 4577, Financial Times, 10, Cannon Street, EC4P 4BY.

MERCHANT BANK

Close Brothers Limited

A MEMBER OF
THE CONSOLIDATED GOLD FIELDS GROUP

Close Brothers Limited is looking for an experienced man (or woman) for its corporate financial advisory activities.

The ideal candidate will be in his late twenties or early thirties, a graduate and presently working in the corporate finance department of one of our larger competitors. He will be attracted by the idea of working in a smaller Merchant Bank/Issuing House where he will see the direct result of his own efforts. He will be a person of initiative and able to attract business on his own. After a suitable introductory period he will be appointed to the Board.

Quality, excellence and undoubted competence are pre-requisites for this job.

Please write in confidence to: R. D. Kent, Managing Director, Close Brothers Limited, 82/84 Fenchurch Street, London EC3N 4BT.

Marketing Manager

HOSPITAL EQUIPMENT
c. £6000 + Profit Share

Our client is a small subsidiary, recently acquired as a base for major expansion. The company produces specialised hospital equipment and is based in the south east.

The need now exists for a Marketing Manager who will be responsible for the development of the company's marketing plans and for the resultant sales achievement, both within the U.K. and abroad.

Candidates, male or female, should be graduates and must have both industrial, marketing and sales experience, preferably within the medical equipment or pharmaceutical field. Alternatively, a construction or engineering background might be appropriate, as would international experience and languages.

The rewards are exceptional for someone around 30 and the future prospects, including a Board appointment, unlimited. The salary is negotiable, along with a profit-sharing scheme, a company car and pension benefits. In all, an opportunity for those who positively relish a challenging adventure. Please write in confidence to John M. Anderson, as Adviser to the company, at—

John Anderson & Associates

Canterbury House, 85 Newhall Street, Birmingham B3 1LH

LEOPOLD JOSEPH & SONS LIMITED MERCHANT BANKERS

are looking for two people to supplement the staff in their foreign exchange dealing room:

- One dealer with some years' experience and preferably knowledge of a foreign language, and
 - A positions clerk, with prospects of advancement.
- Competitive salaries and usual benefits are offered. Please apply in full confidence with complete career details to:—

John Morgan,
LEOPOLD JOSEPH & SONS LTD.,
31-45, Gresham Street,
London, EC2V 7EA.

GENERAL APPOINTMENTS

mb Mervyn Hughes Group

59 St. Mary's Lane, London, EC3A 8AF
Management Recruitment Consultants

Assistant Treasurer

c. \$6,500 Negotiable

Peterborough

Thomas Cook, a major international travel and banking group, is seeking an experienced Assistant Treasurer.

This new appointment will further strengthen a highly professional management team in which banking and cash management play a vital role.

The successful candidate will be closely involved in the funding and financial management of overseas subsidiaries and investments, and will develop a system for the monitoring and control of world-wide currency exposure.

He/she will be aged over 26, with at least two years foreign exchange experience, either with a bank or in the Treasury Division of an international concern, and preferably of graduate calibre, with a good financial understanding and experience of modern techniques of international currency management. A knowledge of credit control management would be an advantage.

The prospects for career development and advancement are good.

The position will be located at the Company's new headquarters in Peterborough, and relocation assistance will be given.

Applications in strict confidence, with a brief c.v., to Brian Landon quoting ref. 5759.

RETIRED BANK MANAGER

preferably with knowledge of London money market. Main task is to operate in short-call market for international institution. Age 55 to 60 approximately.

Please write confidentially to:

S. W. J. Simpson, Ref. 838222
MSL
17 Stratton Street, London, W1X 6DB

CITY COMMODITY BROKERS GROUP

require an Assistant Accountant preferably with some post qualification professional experience, who seeks to make a career in the City. Computer experience not required but an asset.

£5,000 to £8,000 p.a. or higher according to age and experience.

Write Box A.5726, Financial Times, 10, Cannon Street, EC4A 3DF.

COMMODITY BACK-UP STAFF WANTED. Charterhouse Appointments 01-536 3277

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company, require between £50,000 and £1,000,000 for any purpose, ring David Wills, Charterhouse Development.

Investing in medium size companies as minority shareholders has been our exclusive business for over forty years. We are prepared to consider new investments in both quoted and unquoted companies currently making over £30,000 per annum pre-tax profits.

CHARTERHOUSE
Charterhouse Development, 1 Paternoster Row, St Pauls, London EC4M 7DH. Telephone 01-248 3999.

DAUNTED BY EXPORT PROBLEMS? NEED AGENTS OR OFFICES IN FOREIGN MARKETS? NEED HELP IN ORGANISING YOUR EXPORT SALES?

Ambitious, dynamic companies can develop their exports faster with help from our 14 overseas offices, all with highly qualified national staff. Our present clients are in many different product categories including Ceramics, Furniture, Plastic, Baby Wear, Structural Engineering Equipment, Wines and Spirits, Packaging, and Bathroom Fittings. The common link is our strong connection with buyers—we earn commissions on sales, as well as fees for our planning and advice.

If you think YOU have a sales potential of at least £100,000 in the first year please phone one of our directors for a confidential chat about your particular export problems.

Phone John Burne or David Stanley on Hertford 50523/4, Telex 21120, ref. 1593.

IEW EXPORT MARKETING.

9, South Street, Hertford, Hertfordshire.

OFFICES IN 14 COUNTRIES.

CONTROL FOR SALE - BY LOAN

Control of a publicly held U.S. corp. with over 2,000 stockholders is obtainable in consideration for lending \$1,000,000 at a good rate of interest. The lender will be granted an option to purchase 69 per cent. of the stock for \$300,000 any time during the next 3 years. The loan is \$1,000,000 should be secured by the assets of the corp. plus the right of \$1,000,000 of another business. Was a conglomerate now liquidating unrelated divisions. 1975 revenues \$17,000,000; net loss carry-forward \$8,000,000. Principals only. Write showing financial capability.

Box E.8477, Financial Times, 10, Cannon Street, EC4A 3DF.

COMPANIES WANTED

Our clients have substantial cash available for the purchase of companies engaged in:

PROPERTY INVESTMENT SHARE INVESTMENT PROPERTY DEALING SHARE DEALING

Managing Director, Abbottsbury Financial Services Ltd., Warrington Court, Thirongton, Essex, EC4M 2AT. Tel. Nos. 01-536 5377 and 01-536 0567.

PUBLISHING GROUP

Wishes to expand by the acquisition of medium/small profitable and lively publishing houses.

Please write giving brief details to the Managing Director, Box E.8781, Financial Times, 10, Cannon Street, EC4A 3DF.

SMALL ENOUGH TO CARE - BIG ENOUGH TO GET YOU THERE

If you have good light engineering product not yet enjoying export success, we can give you the right people and the right contacts. We are a public company (turnover £2,500,000 p.a.) with manufacturing facilities in Europe, U.S.A. and Japan—all built from scratch.

To discuss your requirements, please send product details to: Chairman, Box E.8790, Financial Times, 10, Cannon Street, EC4A 3DF.

CUT SOME OF YOUR SALES COSTS BY UP TO 85%

PLANNED TELEPHONE SELLING has opened new markets, increased sales, reduced costs. We are a public company (turnover £2,500,000 p.a.) with manufacturing facilities in Europe, U.S.A. and Japan—all built from scratch.

To discuss your requirements, please send product details to: Chairman, Box E.8790, Financial Times, 10, Cannon Street, EC4A 3DF.

SMALL SPORTS GROUND

APPROX. 5-8 ACRES. Wanted to lease or purchase within 10 miles of Heath, London. For sports club of company.

Write to Box E.8902, Financial Times, 10, Cannon Street, EC4A 3DF.

WAY OUT

Medium sized Wales Engineering Company with excellent staff, heavy machine tools and fabricating facilities. Will consider sale, merger and/or expansion.

Write Box E.8898, Financial Times, 10, Cannon Street, EC4A 3DF.

PRESTIGE OFFICE REQUIRED

Swiss based investment Trust requires office in West End for use as representation in London. Requirements: office of 3 or 4 rooms and parking space. Also require a small apartment for a director or secretary. Will be considered. Write Box E.8897, Financial Times, 10, Cannon Street, EC4A 3DF.

LIMITED COMPANY FORMED BY EXPERTS FOR £2.2

READY MADE ON COMPANY SEARCHES. EXPERTS ON REGISTRATIONS LTD. 30 City Road, E.C.1. 01-428 5434/5 (7/34/9936)

CAPITAL

in tranches of US Dollars \$5.10 per million for international expansion. 100 shares, each for £100,000. A single instalment of US Dollars \$500,000. For immediate placement in Europe.

Please refer to Box E.887, Financial Times, 10, Cannon Street, EC4A 3DF.

GERMAN TEAM

of retired executives from leading German companies. Specialising in research, development, production, marketing, sales, distribution, etc.

Munich 2, Lederstrasse 2, 80333 München, Germany.

TOYS

Toy company which is a major force in the field is seeking to expand its production facilities. It is a public company (turnover £2,500,000 p.a.) with manufacturing facilities in Europe, U.S.A. and Japan—all built from scratch.

To discuss your requirements, please send product details to: Chairman, Box E.8790, Financial Times, 10, Cannon Street, EC4A 3DF.

Merchant Banker

Applications are invited for a Banker to join the board of an authorised City merchant bank. The successful applicant will have experience in lending in both the domestic and international markets and will be expected to negotiate and process new loans through all the detailed procedures. Ideally the applicants will have obtained a senior position in a clearing bank, merchant bank, or international bank and will have a sound knowledge of the workings of the City. In addition to technical ability they will be required to demonstrate that they have a flair for innovation and developing new business.

This is a board appointment and an excellent salary is negotiable, together with the usual fringe benefits. Apply in confidence quoting "B.7" to:

The Managing Director, Gray Dawes & Company Limited, 40 St. Mary's Lane, LONDON EC3A 8EU

Gray Dawes
MERCHANT BANKERS

ACTUARIAL OPPORTUNITY IN INVESTMENT MANAGEMENT

The Royal London Mutual Insurance Society has created a new post within its small but active investment management team for an Actuarial student, aged in the mid-twenties who is making good progress in the examinations. As a member of this team the successful applicant would be engaged, after a short period of training in both research and dealing in connection with a large portfolio of Stock Exchange Securities.

This opening offers a competitive salary, interesting and varied work and the prospect of an attractive career to the right person, who must be prepared to live within easily commutable distance of Colchester, where the Royal London aims to be relocated in approximately three years time.

If you are interested, please write to: The Deputy Investment Manager, Royal London Mutual Insurance Society Ltd., Royal London House, Finsbury Square, London, EC2A 1DP.

COMPANY NOTICES

JARDINE, MATHESON AND CO. LIMITED
NOTICE IS HEREBY GIVEN that the transfer books and register of the Company will be closed for the purpose of the Interim Dividend from 5th November to 22nd November 1978, both days inclusive.

The Interim Dividend with a cash alternative of £10.10 per share will be paid on 20th December 1978 to Stockholders on the Register of Members on 22nd November 1978. The dividend is payable to the registered holder of the shares or to the order of the registered holder. The dividend is payable to the registered holder of the shares or to the order of the registered holder. The dividend is payable to the registered holder of the shares or to the order of the registered holder.

By Order of the Board, J. W. YOUNG, Company Secretary.

NEW GASOLINE WATER HTS. also 825
Vauxhall, Crane and Son Ltd., 77
Stratford, Hill, London, SW2 2J, 01-
874 2274.

PERSONAL
NEW GASOLINE WATER HTS. also 825
Vauxhall, Crane and Son Ltd., 77
Stratford, Hill, London, SW2 2J, 01-
874 2274.

RESERVE BANK OF AUSTRALIA RESEARCH ECONOMIST

The Reserve Bank of Australia invites applications for the position of Research Economist in its Banking and Finance Department at the Bank's Head Office, Sydney.

Duties of the position involve both theoretical and applied research into various aspects of finance, with particular reference to banks and non-bank financial intermediaries. The occupant will be required to direct and motivate a small support team of research staff. The work of this group will include the consideration and review of various policy instruments in the Australian environment for both economic stabilisation and other purposes; other work would relate to the formulation and implementation of monetary policy and also research into factors determining the performance of various types of financial institutions. The position requires a person of high academic qualification, proven ability in general equilibrium approaches to monetary theory and a record of research and experience in the area.

The salary for the position will depend importantly on qualification and experience. The figure of \$A18,000 is offered as a guide.

Appointment would be for a period of two years.

Applicants should apply initially with details of educational experience to be followed by preferably two references to:

Chief Representative, RESERVE BANK OF AUSTRALIA, 8/10 Old Jewry, London, EC2R 8DT.

Applications should be received by end-November.

INTERNATIONAL MANAGER EXPORT SALES (also Regional Export Managers)

Excellent opportunity to make a significant contribution in a young and rapidly expanding consumer electronics company. Based in London you will be responsible for establishing a world-wide network of dealers and distributors for an extremely high quality and high unit value product with proven international demand for consumer, industrial, governmental and commercial applications.

You will identify, screen and secure such dealers and distributors; ensure that they are properly trained from both a sales and service viewpoint; assist their marketing and sales promotion activities; co-ordinate their sales efforts and closely monitor their performance.

Qualified applicants will be active "doers"—self-motivated, aggressive, persuasive, creative in developing successful marketing strategies and sales promotion programmes, enthusiastic and committed to the task of motivating dealers and distributors to achieve their full sales potential.

The International Manager will have 5-10 years' experience managing export sales to dealers on a global or near global basis. Regional Managers are expected to have lesser quantities of similar experience, perhaps with concentration on a particular geographical area such as Europe, the Middle East, Africa, etc. Preference is for prior experience in the colour TV or related industries.

Overseas travel will be frequent; rewards for achievement high. We pay generous base salary plus incentive bonus and executive benefits. Kindly give full details including present remuneration and home or office telephone number, with your CV and enquiry letter:

Executive Director, Zynga Electronics Limited, 21 Upper Brook Street, London W1

BUSINESS AND INVESTMENT OPPORTUNITIES

Two healthy, established, specialist monthly magazines

FOR SALE

or, alternatively require moderate financial injection

Annual turnover £200,000

Principals only please

Write Box E.8906, Financial Times, 10 Cannon Street, EC4A 3DF

OVERSEAS PROPERTY

Stylish Office Premises to let on Herengracht in Amsterdam.

A row of stylish office buildings, situated in one of the most distinguished parts of the Amsterdam city centre, the financial heart of the Netherlands, the "Golden Bend".

The offer is highly varied from 200 m² up to over 18,000 m².

The buildings are in an excellent condition. We will be happy to make an appointment at our Herengracht Information Centre. Those who are interested in further details please apply to:

J. Rappange, Real Estate Agent, Prinsengracht 255-257, Amsterdam, Tel. (020) 240363

Van Poelwijk & Stefels b.v., Jan van Eijckstraat 7-9, Amsterdam, Tel. (020) 721212

NON-EXECUTIVE DIRECTORS

Chairmen seeking to strengthen their Board with outside experience and expertise should consult:

DIRECTORSHIP APPOINTMENTS LIMITED
53 Pall Mall London SW1Y 5JH

London (01) 628 0668; Birmingham (021) 643 6071; Macclesfield (0625) 22331; Bristol (0273) 299462; Wokingham (0734) 78464

SPECIALISTS IN THE PROVISION OF NON-EXECUTIVE DIRECTORS

NOISE PROTECTION SYSTEM

For sale in quantities outside the Federal Republic of Germany the complete manufacturing equipment of a noise protection system made of thermoplastic man-made materials. The following are offered direct from the manufacturer and system developer:

• KNOW-HOW
• TECHNICAL DOCUMENTS AND TEST CERTIFICATES
• SAMPLES
• TOOLS AND PRODUCTION PLANTS
• DEMONSTRATION
• ADVICE ON SETTING-UP THE EQUIPMENT UPON ACCEPTANCE

For the production, an extrusion blowing machine with output capacity of 80-100 kg/h is available.

Parties interested in acquiring the total package or licence only please write to: Technik + Information M. Föjler, Am Karnerberg 12, D 8011 PLEINING near Munich, W. Germany

LEADING AMERICAN FINANCE COMPANY

wishes to purchase finance companies receivables in the U.K. Also bulk purchase of receivables from retail sources.

Please contact: Mr. E. M. Osborne, Marketing Department, AVCO Financial Services Ltd., Trafalgar House, 29 Park Place, Leeds 1. Telephone: 0532 451956/7

ARE YOU INTERESTED IN A SPECIFIC INDUSTRIAL PRODUCT OR EQUIPMENT IN FRANCE?

Our organisation can provide you, very quickly, with the catalogues and technical data of all relevant manufacturers and distributors in the French market. Additional information is provided in the shape of a brief analysis of the market position plus financial data concerning the leading companies. Our team of experts are completely bilingual and our company is Paris based. Please reply to Box No. F.446, Financial Times, 10, Cannon Street, EC4A 3DF.

INDUSTRIAL PROBLEMS IN THE SOUTH WEST?

Successful record as professional manager - 20 years Chief Executive in manufacturing industry, experienced Consultant and Non-Executive Director - available for trouble-shooting, management audit, corporate rescue, etc. Write in confidence to Box E.8888, Financial Times, 10, Cannon Street, EC4A 3DF.

CANNERY - N. W. ENGLAND

Well established Canning Company, at present producing "Catering-Pack" Meats.

(facilities capable of quadrupling current output) would be increased to discuss sale, rental or joint venture possibilities. Premises comprising 10,000 sq. ft. of manufacturing area and includes considerable cold storage space.

Principals only apply to: Box E.8874, Financial Times, 10 Cannon Street, EC4A 3DF

SCHOOL FOR SALE

Specialises in Secretarial and English Language courses. Genuine reason for sale. Interested parties must send business and financial references.

Principals only write: Box E.8874, Financial Times, 10 Cannon Street, EC4A 3DF

EXPORT

FOODS INDUSTRY and others Your limited product or Raw Materials required. Markets immediate available. You have no admin. (insurance/finance) problems.

Contact: Mr. Harper, HARPER WOLVERHAMPTON, 1 Grafton Chambers, Lichfield St., Wolverhampton, Tel. 24339

SUCCESSFUL

Businessman, 35, retail background, seeks to invest energy and capital to expand small business. Any area of activity considered.

Write Box E.8894, Financial Times, 10, Cannon Street, EC4A 3DF.

PRODUCT WANTED

Engineering Company is seeking new products to manufacture with some electrical/electronic content. Will buy product or small company outright. Enquiries to Box E.8891, Financial Times, 10 Cannon Street, EC4A 3DF.

EDUCATED YOUNG MAN, with international background, business acumen

Wanted in your European languages speaks most London accents. Will be a great asset to your company. Financial Times, 10, Cannon Street, EC4A 3DF.

SWITZERLAND. Chalets and apartments from 140,000. Mortgage, full service, Palmer & Parker 01-499 4801.

MEMBER STOCKBROKER

Arbitrageur with good overseas connections and clientele wishes to join small or medium sized firm.

Write Box E.8886, Financial Times, 10, Cannon Street, EC4A 3DF.

YOUR OFFICE IN REGENT STREET

Luxury furnished private offices - Prestige business premises - 24-hour telephone answering - Telex, telegrams, fax, etc. - ADHOC BUSINESS SERVICES 150 REGENT STREET, W1 Day 01-734 9571 - Even. 01-734 5351

CANADA & U.S.A.

Chartered Accountant resident in Canada is available for investigations, auditing and consultancy work. Specialises in all aspects of financial and taxation matters. Will be considered. Write Box E.8897, Financial Times, 10, Cannon Street, EC4A 3DF.

PRINTER COMPANY REQUIRED

Printers company required with facilities in London area of 15,000 to 20,000 sq. ft.

FOR MERGER OR ACQUISITION - Turnover and profit immaterial. Strictly confidential assured. Please write to Managing Director, Finance House, 10, Cannon Street, EC4A 3DF, or Telephone 01 60190 any evening after 8 pm.

Merchant Converting Business for Sale

Premises in Midlands and London. Small but energetic staff. Potential turnover £300,000 p.a. Offers invited. Write Box E.8891, Financial Times, 10, Cannon Street, EC4A 3DF.

ISLE OF MAN OFFSHORE TAX SAFEGUARD

Group of experts in a new and exciting field of offshore tax planning. Specialising in the formation of offshore trusts, companies, etc. for the purpose of safeguarding assets and ensuring the most advantageous tax treatment. Write Box E.8891, Financial Times, 10, Cannon Street, EC4A 3DF.

TOYS

Toy company which is a major force in the field is seeking to expand its production facilities. It is a public company (turnover £2,500,000 p.a.) with manufacturing facilities in Europe, U.S.A. and Japan—all built from scratch.

To discuss your requirements, please send product details to: Chairman, Box E.8790, Financial Times, 10, Cannon Street, EC4A 3DF.

TOYS Toy company which is a major force in the field is seeking to expand its production facilities. It is a public company (turnover £2,500,000 p.a.) with manufacturing facilities in Europe, U.S.A. and Japan—all built from scratch.

BY JOHN HUNT

Difficult

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT



BY JUSTIN LONG

BY RUPERT CORNWELL, LOBBY STAFF

P4B

LABOUR NEWS

Employers attack plan for union control of pensions

BY CHRISTIAN TYLER, LABOUR STAFF

THE ENGINEERING Employers Federation yesterday attacked the June White Paper which proposed 50-50 union control of pension funds.

Mr. H. A. Whittall, president of the federation, said in a letter to Mr. David Ennals, Social Services Secretary, that only two or three unions in the industry had the necessary expertise — and that was confined to a very few national officials.

He did not name the unions, but was clearly thinking of the General and Municipal Workers' Union, the Association of Professional Executive, Clerical and Computer Staff, and the Association of Scientific, Technical and Managerial Staffs.

Other unions were trying to learn, "but the steps they have taken are, in the federation's view, inadequate even for the effective servicing of their members in the contracting-out or not contracting-out let alone for the playing of any wider and more ambitious role in negotiating pensions."

This was a statement of fact, not denigration of the unions or their ambition to become more effective on pensions, federation said.

Its other objections to the White Paper, intended to reappear as a Bill for the next Parliamentary session — are that it could damage industrial relations, and upset investment

policy if union activists who did not support the mixed economy were appointed to pension management committees.

Influenced

Conflict between union and non-union members of pension schemes could lead to the breaking up of schemes as well as discourage companies without schemes from introducing them. Legislation would start a trend away from self-funded schemes to assured and managed ones.

So far union attempts to exert "political" influence on investment policy had not been common. But if the White Paper proposals became law union-appointed trustees could be influenced to follow union policy at the expense of fund members' interests. As a result companies

might be unwilling to continue indemnifying trustees.

The federation proposed instead that employee representatives on pension fund committees should themselves be members of the fund, that the members should appoint their representatives, that all members — whether members of recognised unions or not — should have equal say in that process and that worker trustees should represent all constituencies, including small groups like senior staff.

The federation joined a growing list of bodies — including the CBI — which have said the Government's proposals are undemocratic because more than half the 5m members of private pension schemes are not members of unions.

Murray urges EEC to help Britain

BY OUR LABOUR CORRESPONDENT

A CALL FOR Common Market countries to "buy their money on the table" and help Britain came yesterday from Mr. Len Murray, the general secretary of the TUC.

Speaking after a meeting of the TUC general council had reaffirmed its support for the Government's industrial strategy and continued resistance to devaluation of the "green pound", Mr. Murray recalled that the TUC had been opposed to Britain entering the EEC.

But he said that one of the great selling points of the EEC was that it would bring mutual support for individual members who found themselves in difficulties.

When they are going to start putting their money on the table in terms of protecting us, not from our own deficiencies, but to tide us over a difficult patch so that we can become better members and partners," he asked.

The TUC, Mr. Murray said, was that it would bring mutual support for individual members who found themselves in difficulties. When they are going to start putting their money on the table in terms of protecting us, not from our own deficiencies, but to tide us over a difficult patch so that we can become better members and partners," he asked.

The TUC was heartened by the recent unemployment figures which showed the beginning of a rise in the manufactur-

ing industry and by the Prime Minister's statement that he intends keeping to the industrial strategy.

Mr. Murray said that the TUC remained committed to the view that Britain's short-term balance of payments problems should be solved by action on imports, with a fundamental review of sterling's questionable role as a reserve currency as a longer-term solution to our economic ills.

● The TUC is seeking meetings with the Home Secretary on the problem of assaults on public house employees; the Social Services Secretary on phasing out private beds from the Health Service; the Education Secretary on several issues including expenditure; and with the Department of Employment, where it will urge action to enforce the

Wages Council statutory minimum rates in the hotel and catering industry. A meeting is also being arranged between the TUC printing industries' committee and the British Printing Industries Federation to discuss the economic performance of the general printing industry and the capacity of the paper making sector.

Printing unions are particularly alarmed that continued closure of paper making capacity could leave the UK entirely dependant on imports.

Strikers warned by Rolls chief

By Our Labour Staff

STRIKERS at Rolls-Royce's factory in Bantyre, Lanarkshire, were given a warning yesterday that their 16-week strike would not change plans to shut it and re-allocate 450 workers at another factory nearby. The warning came from Sir Kenneth Keith, chairman.

Sir Kenneth added that the strike could put other Rolls-Royce jobs at risk. Workers have been sitting-in at the factory in protest at the transfer of its aero engine production to Hillington, near Glasgow.

In a letter to strikers, Sir Kenneth said the strike had been causing disruption within the company at a time when work was hard to come by.

"My duty is to preserve Rolls-Royce and to ensure that it has a safe future. If we fail to take necessary steps to make ourselves efficient the company will wither. Attempts to prevent these steps being taken only serve to put Rolls-Royce jobs in Scotland and elsewhere at even greater risk."

Tip of iceberg

No government was going to finance the manufacture of aero engines for which there was no market. Equally, no government was going to subsidise an inefficient commercial organisation.

No one at Bantyre need lose his job under the transfer plan and a return to work could enable discussions to take place to minimise inconvenience caused by transfer.

Strikers claim that closure of the Bantyre plant represents only the tip of the iceberg; for further Rolls-Royce plans to cut aero-engine production in Scotland.

Dispute over 'poaching'

BY OUR LABOUR STAFF

ALLEGATIONS that the Amalgamated Union of Engineering Workers poached members of the Transport and General Workers' Union at Leyland Car's assembly plant at Cowley, Oxford, will be referred to the TUC.

Shop stewards have agreed to refer the allegations against the AUEW to the TGWU's national officials, who will pass them on to the TUC.

The AUEW has denied poaching and says that in the last three years the TGWU has poached about 300 of its mem-

Average earnings for men increase by £11 a week

BY DAVID CHURCHILL, LABOUR STAFF

AVERAGE WEEKLY earnings for men rose by £11 last year to a total of £21.90 a week, according to figures published yesterday in the Department of Employment Gazette.

But although weekly earnings for women rose at a faster rate — slightly more than 24 per cent — compared with 18 per cent for men — the actual increase of £8.80 last year still means only total earnings of £46.20 a week.

The Department's figures are based on a sample survey of people in employment last April and are compared with a similar survey the previous April.

They indicate that white-collar workers, who achieved an increase of 19.1 per cent to £21.90 a week, did substantially better than manual workers who had an increase of almost 17 per cent to £25.10.

But the Department pointed out yesterday that this reflects anomalies resulting from the recent settlement of rates arising from the pay policy rather than a reversal of the trend in previous years for manual workers to catch up on white-collar employees.

Women white-collar workers were earning an average £48.80 a week, an increase of £9.30, while female manual employees earned £38.40, a rise of £7.30.

The statistics show that while less than 1 per cent of all men

over the age of 21 earned less than £20 a week, more than 14 per cent of all women over 21 earned less than this. This indicates that women are more often employed in low-paying jobs than men as well as not having the same opportunity for overtime.

Men earned an average £21.90 a week overtime in April — up 50p on the previous year — while women earned only 50p a week overtime on average.

On a private industry basis, highest earnings for men were recorded among printing workers on national newspapers who earned an average £21.70 a week, followed by banking (£21.40), and shipbuilding workers (£20.30). The lowest paying industries were selling and repairing cars (£20.40 a week), and textiles (£20.70).

In the public sector, male technical and engineering staff in the electricity industry earned an average £110 a week, followed by teachers in further education earning £106.50.

The Department also announced yesterday that it plans to carry out a national survey next year on how people find jobs. The information is designed to help the Government estimate the effectiveness of its modernised employment service run through the Employment Service Agency.

Strike record expected to be best in 23 years

BY OUR LABOUR STAFF

BRITAIN is still on course for having the lowest strike record since 1955. Figures published today in the Department of Employment Gazette show that the

number of strikes in the first nine months this year was 1,463. Provisional statistics show that 132 new strikes started last month, compared with 157 in September last year.

The number of working days lost through strikes is also much lower. The total of 2.5m days lost in the first nine months is the lowest since 1957.

Disputes at British Leyland plants in the Midlands were the most prominent strikes last month.

Disputes over wage-rate, and earnings levels were the main causes of strikes last month and in the first nine months of the year.

The coal industry has been the most affected by strike so far this year, with 166 strikes costing a total of 38,000 working days. But 139 strikes in the motor industry have resulted in the loss of 625,000 working days.

Power station workers strike

WORKERS at the Ocker Hill power station construction site in Staffordshire went on strike yesterday over a pay dispute. This follows the 19-week-old dispute which is still in progress at the power station being built at the Isle of Grain in Kent.

But the Ocker Hill dispute, which was over an increase in the bonus rate, appeared to be the lorry producer now part of the strikers agreed to return to work to-day pending further talks.

British parts for BMW cars

Financial Times Reporter

BMW, THE German car manufacturer, plans to increase component purchases in Britain with the establishment of a new office in the Midlands.

Mr. Anthony Guy, a nephew of the late Mr. Sydney Guy, founder of Guy's of Wolverhampton, the lorry producer now part of the strikers agreed to return to work to-day pending further talks.

U.K. ECONOMIC INDICATORS

| | 1976 | | | 1975 | | |
|--|----------|----------|----------|----------|----------|---------|
| | Oct. | Sept. | Aug. | Oct. | Sept. | Aug. |
| General Unemployment ('000s) | 1,277.1 | 1,498.4 | 1,501.3 | 1,165.1 | 1,243.1 | 1,243.1 |
| Unfilled vacancies ('000s) | 139.8 | 141.7 | 129.8 | 132.0 | 143.4 | 143.4 |
| Currency reserves (\$bn.) | 5,138 | 5,029 | 5,370 | 5,559 | 6,004 | 6,004 |
| Bank advances (£bn.) | 15,003 | 15,100 | 15,513 | 13,782 | 14,061 | 14,061 |
| Basic materials (1970=100) | 314.0 | 303.9 | 305.0 | 245.2 | 241.4 | 241.4 |
| Manufact. prod. (1970=100) | 262.2 | 223.2 | 218.8 | 192.9 | 192.9 | 192.9 |
| Retail prices (Jan. 1976=100) | 160.8 | 158.5 | 156.3 | 140.5 | 139.3 | 139.3 |
| Wage rates (July 1972=100) | 217.4 | 217.3 | 217.2 | 184.9 | 184.3 | 184.3 |
| HP debt (£m.11) | 2,430 | 2,386 | 2,353 | 2,247 | 2,244 | 2,244 |
| Retail sales val (1971=100) | 284.2 | 199.9 | 197.8 | 175.8 | 175.3 | 175.3 |
| Terms of trade (1970=100) | 90.8 | 79.5 | 79.8 | 81.9 | 82.0 | 82.0 |
| Industrial output (1970=100) | 100.8 | 101.8 | 100.2 | 93.9 | 100.9 | 100.9 |
| | 1976 | | | 1975 | | |
| | Sept. | Aug. | July | Sept. | Aug. | July |
| Trade and Industry | 2,595 | 2,332 | 2,244 | 1,792 | 1,779 | 1,779 |
| Imports fob (£bn.) | 2,140 | 2,039 | 1,952 | 1,582 | 1,523 | 1,523 |
| Exports fob (£bn.) | -0.265 | -0.293 | -0.291 | -0.210 | -0.238 | -0.238 |
| Visible trade balance (£bn.) | 429.6 | 374.8 | 426.0 | 253.7 | 257.9 | 257.9 |
| Steel, weekly average ('000 tonnes) | 100 | 90 | 111 | 120 | 107.9 | 107.9 |
| Cars ('000s) | 29.5 | 26.5 | 30.7 | 31.1 | 32.5 | 32.5 |
| Commercial vehicles ('000s) | 29.5 | 26.5 | 30.7 | 31.1 | 32.5 | 32.5 |
| | 1976 | | | 1975 | | |
| | Aug. | July | June | Aug. | July | June |
| Houses completed ('000s) | 34.9 | 36.6 | 25.5 | 24.4 | 24.4 | 24.4 |
| TV sets ('000s) | 169 | 196 | 183 | 144 | 202 | 202 |
| Radio, radio-gram ('000s) | 235 | 225 | 293 | 302 | 381 | 381 |
| Bricks (millions) | 400 | 446 | 451 | 369 | 407 | 407 |
| Cement, weekly average ('000 tonnes) | 301 | 315 | 310 | 318 | 329 | 329 |
| Man-made fibres (m. kes.) | 43.82 | 46.72 | 39.37 | 40.77 | 45.71 | 45.71 |
| Furniture (1970=100)** | 149 | 146 | 151 | 150 | 151 | 151 |
| | July | | | June | | |
| Raw cotton, weekly average ('000 tonnes) | 2.19 | 1.91 | 2.31 | 2.96 | 2.14 | 2.14 |
| Electric cookers ('000s) | 63.3 | 70.6 | 76.3 | 79.0 | 76.1 | 76.1 |
| Washing machines ('000s) | 48.3 | 107.8 | 74.3 | 86.7 | 87.2 | 87.2 |
| Engineering orders on hand (1970=100) | 89 | 89 | 92.1 | 109 | 117 | 117 |
| Raw wools (m. kilos) | 8.7 | 9.9 | 10.0 | 9.0 | 9.3 | 9.3 |
| Machine tools (£m.12) | 29.0 | 27.5 | 30.5 | 26.1 | 26.5 | 26.5 |
| | June | | | May | | |
| Hosiery (1970=100)** | 81 | 85 | 86.5 | 112 | 101 | 101 |
| Petroleum (m. tonnes) | 5.835 | 5.020 | 6.905 | 5.580 | 5.580 | 5.580 |
| | 1976 | | | 1975 | | |
| | 3rd qtr. | 2nd qtr. | 3rd qtr. | 2nd qtr. | 1st qtr. | Year |
| Consumer spending (£bn. 1970 values) | 8.860g | 8.789 | 8.729 | 8.539 | 8.413 | 8.413 |
| | 2nd qtr. | | | 1st qtr. | | |
| Motor trade turnover (1972=100) | 177 | 166 | 148 | 137 | 143 | 143 |
| Building and civil engineering (£bn.) | 3.163g | 3.014 | 2.912 | 2.644 | 11.610 | 11.610 |

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. *** All manufacturers. †† Excluding car radios. ‡‡ Deliveries. U.K. made and imported yds. § Price. ¶ Including cooker grillers toasters. † Value of output. ‡ United Kingdom not seasonally adjusted. § First preliminary estimate. ¶ Provisional figures.

Marketing awards

BY ANTHONY THORNCROFT

THIS YEAR there was a much better entry for the National Marketing Awards — over 30 companies took part. Three of the winners shared a lack of conventional marketing departments but the fourth, Lego, gained its success by playing according to the book.

ON the surface it is surprising to find Hogg Robinson receiving goods marketing awards for this problem.

The advertising agency has no structured marketing department and is suspicious of established techniques, such as direct marketing. Its advertising is limited by industry procedures. Yet, it attributes the fact that its turnover has increased from £3.4m. to £13.7m. in four years and its pre-tax profits from £2m. to £5.5m. to a belief in marketing.

This is basically export marketing. Around 65 per cent of its income derives from abroad and there are now 23 overseas offices, the latest being officially opened in Dubai tomorrow.

Hogg Robinson concentrates its efforts overseas, mainly because the U.K. corporate insurance market is relatively immobile. Managing director, Morris Abbott, reckons that the main marketing effort has been in recruiting the right personnel and "polishing up" the existing staff so that they do some selling as well as shaking hands with overseas contacts.

Hogg Robinson also does "cold calling" unusual in the corporate insurance world. But there is one marketing technique that finds favour — research. An eight-strong department supplies background information to the group and leads to the various divisions.

Among its recent successes have been opening up the whisky industry with a scheme of insurance protection and a similar exercise with the internationalised steel industry.

The same department suggests the establishment of 12 overseas subsidiaries in five years.

There has not been much real growth in the toy business this year and there was not in 1978. But David Brown, general manager of Lego, says that by the end of this month its sales will be running 20 per cent above last year's level in volume terms.

This is a continuation of the success that has won Lego its award. Until recently Lego (51) was going into a bigger market and a lower rise per cent owned by the Courtauld subsidiary British Celanese book business.

There has not been much real growth in the toy business this year and there was not in 1978. But David Brown, general manager of Lego, says that by the end of this month its sales will be running 20 per cent above last year's level in volume terms.

This is a continuation of the success that has won Lego its award. Until recently Lego (51) was going into a bigger market and a lower rise per cent owned by the Courtauld subsidiary British Celanese book business.

There has not been much real growth in the toy business this year and there was not in 1978. But David Brown, general manager of Lego, says that by the end of this month its sales will be running 20 per cent above last year's level in volume terms.

This is a continuation of the success that has won Lego its award. Until recently Lego (51) was going into a bigger market and a lower rise per cent owned by the Courtauld subsidiary British Celanese book business.

'It can't be bought if it isn't there'

A truism maybe. Put about by our founder J. Bede Egerton in the 30's.

It was a philosophy he preached originally and well... it made many young companies of the time change their ideas. They became his clients.

Put the straight forward common-sense of his ideas to work.

Over the years they grew to become household names with leading brands.

Today we still help companies improve their distribution and display.

The problem's more complex, but we've better techniques to help us.

Product availability is much more important than ever before.

In the old days when a shopper was told 'Sorry Madam, we're out of stock' she'd wait and buy later.

Today's impatient shopper doesn't hesitate... she reaches for the nearest similar product... the competitive brand.

More than a sale is lost.

The carefully planned and costly advertising that stimulated, but couldn't satisfy because the product wasn't there... just wasted.

We stand by J. Bede Egerton

and his truism on availability.

We make sure the product's there. Our versatile and highly competent auxiliary salesforce teams still sell.

Sell hard... sell nationally. Our merchandisers get it up front...

in force. Create buyer interest... generate shopper excitement.

We haven't stood still. Now CPM go a few stages further for our clients.

We create effective promotional strategies from start to finish. Concept, copy, design, artwork, production, through printing to packing, distribution and siting.

Premiums and special items needed... CPM will provide and despatch them.

Our complete service and flexible approach appeals to the well-established clients we've served so long... and the dynamic young starters too.

Perhaps because it works so well. If we sound like a useful product we are available on-shelf at 17 Thame Park Road, Thame, Oxon, OX9 3PJ.

Reach instantly, ask for Richard Morris-Adams on Thame 3223.

CPM

COUNTER PRODUCTS MARKETING LTD
SALES PROMOTION SERVICES



The Institute of Sales Management

On October 14th, the Institution of Professional Salesmen, in accordance with the wishes of its membership, changed its name to the Institute of Sales Management.

A recent survey of the membership established that 76% of the 4,200 total at the time of the survey already held sales management or director level positions, and that the remaining 24% was mostly made up of salesmen striving to earn promotion to sales management.

The revised qualifications for membership are as follows:

FELLOW
Designatory letters F.S.M.
Awarded to persons who, for a minimum of three years, have been fully responsible for a sales management position, or who have held a sales management position for a minimum of three years and who are currently holding a sales management position, or who have held a sales management position for a minimum of three years and who are currently holding a sales management position, or who have held a sales management position for a minimum of three years and who are currently holding a sales management position.

MEMBER
Designatory letters M.S.M.
Awarded to persons who, for a minimum of three years, have been fully responsible for a sales management position, or who have held a sales management position for a minimum of three years and who are currently holding a sales management position, or who have held a sales management position for a minimum of three years and who are currently holding a sales management position, or who have held a sales management position for a minimum of three years and who are currently holding a sales management position.

ASSOCIATE
Designatory letters A.S.M.
Awarded to persons aged 20 or over who have been employed full-time in sales management or in a sales management position for a minimum of two years, and who are currently holding a sales management position, or who have held a sales management position for a minimum of two years and who are currently holding a sales management position, or who have held a sales management position for a minimum of two years and who are currently holding a sales management position.

AFFILIATE
Designatory letters A.F.S.M.
Awarded to persons aged 17 or over who are embarking on a career in sales management and who are currently holding a sales management position, or who have held a sales management position for a minimum of two years, and who are currently holding a sales management position, or who have held a sales management position for a minimum of two years and who are currently holding a sales management position, or who have held a sales management position for a minimum of two years and who are currently holding a sales management position.

The Institute of Sales Management
Concorde House, 24 Warwick New Road,
Royal Leamington Spa, CV32 5JB

Contact Brian Henry, Marketing & Sales Director,
Southern Television Ltd., Glen House, Stag Place, London SW1E 5AX. Tel: 01-834 4404

An industry fights for its survival



Strong competition at a time of recession has caused the abandonment of the Skelmersdale plant. Fashion also has not helped the fibres industry, with the craze for jeans damaging the tight market.

The education issue

THE LOUD protest from teachers' organisations which preceded it may well be one of the reasons why the Prime Minister's recent speech at Oxford, in which he raised several basic questions about the aims of education and the methods used to attain them, has been so well received. More generally, many parents and employers have become increasingly concerned during recent years about the fact that children who have had 11 years of education too often prove unable to meet the minimum requirements needed for the jobs of what used to be called the three Rs. This is not a political issue—the two main parties are very much at one over the need to improve the curriculum and raise standards—not, as some spokesmen for the teachers have suggested, is it an attempt to dictate everything from the centre.

What Mr. Callaghan was saying, to put it briefly, was that our educators were not doing their job properly if a large number of children leave school unqualified to do the work needed of them and by them, and that the content of the school curriculum was far too important to be left to individual teachers alone. He raised specifically, in fact, the question of introducing a "core curriculum" of basic knowledge—which in turn would imply an inspectorate with adequate powers to ensure that this was satisfactorily taught.

Examinations
Mrs. Williams, the new Secretary of State for Education and Science, has since repeated and expanded the ideas set out by the Prime Minister and has now taken definite action on the question of examinations. Granted that too much emphasis may sometimes have been laid in the past on examination performance and that there are some subjects (particularly in the arts) where formal examinations are irrelevant, there is a clear danger of moving too far in the opposite direction and either openly declaring that examinations are unimportant or covertly lowering their standards. Flexibility of teaching methods is an excellent

A change in the Soviet Plan

THE MOST striking feature of the new Soviet five-year plan which is being presented to the Supreme Soviet this week is the shift in resources to agriculture. The amount of money to be devoted to it is up by nearly one third on the previous plan and is up considerably on the earlier drafts, which is evidence enough of a prolonged internal debate.

Technology
In itself this is not surprising. The failure of Soviet harvests in recent years—and the consequent need to buy grain from the West—was embarrassing both at home and abroad. It drew attention to the shortcomings of the Soviet system at a time when it was all too clear that the Soviet expenditure on armaments. That juxtaposition alone spoke volumes about Soviet priorities. But it was also plain that the need to rely on the West used up quantities of foreign exchange and led to the possibility of a dependence which some Western politicians said should be exploited. Mr. Brezhnev, the Party leader, has thus drawn the obvious lesson that the failings of Soviet agriculture must be corrected, if necessary at the expense of other sectors.

It would be rash to conclude, however, that there is to be anything like a straight transfer of resources from defence to farming. It is true that the defence budget as presented yesterday was said to be down from 7.5 to 7.2 per cent. of the total budget, but even if these figures are accepted, the decrease would be relatively small, and there is in any case a tendency to conceal some defence spending under other heads such as the science allocation. The proof of a new Soviet readiness to cut back on armaments will have to come in its attitude to international negotiations like the talks on East-West force reductions in Vienna rather than in mere budgetary figures.

Nevertheless, it is notable

A SERIES of closures in Courtauld's textile sector has lent force to the case that the European textile industry, through its representative associations, has been putting to the EEC Commission a new long-term textile strategy.

Last week Courtauld's, Europe's biggest textile group, announced that four plants were to be closed with the loss of 3,000 jobs. Yesterday further closures, including the company's modern weaving facility at Skelmersdale in Lancashire, built at a cost of £10m. in 1969 and employing more than 1,000 people, were added to the list.

The closures, more than all the statistics which the industry has been able to present in Brussels, illustrate the very difficult conditions prevailing in the textile market, belying the signs earlier this year that the industry's prolonged worldwide recession might be ending. At Skelmersdale the closure is the result, at least in part, of a failure to achieve the levels of productivity which the company claimed were necessary if the plant was to compete successfully in the production of basic commodity fabrics against imports from Europe, the Far East, and the U.S. The plant has been receiving since May a subsidy of £20 per week for each worker under the Government's Temporary Employment Subsidy scheme. But with losses in every year since it opened and no prospect of an improvement the company has now decided it has no alternative but to close the plant.

The plants at Flint, where viscose filament yarn is produced, has similarly had special problems. Viscose filament production is very labour-intensive and creates pollution problems. It has been declining around the world as other fibres such as nylon have moved into its traditional markets. The increased imports of clothing including suits has furthermore cut the size of the market available to Courtauld's. At its Aintree warp knitting plant the company has been unable so far to obtain union agreement for measures to increase productivity.

The other two main plants due to close at Merthyr Tydfil in Wales, and Carmarvon in Northern Ireland, manufacture tight-knit fabrics which too have suffered from changes in the market-place. The jeans fashion has reduced demand for tight-knit, and this summer the warm weather enabled many women to do without tight-knit altogether. But although all the Courtauld's plants which are closing have had special problems, they are also the victims of the current weak demand for textiles around the world. The failure of the market to take off as expected this year has meant that cheap supplies of yarn, fabric, and

clothing have continued to be available, undercutting goods produced even in the most efficient European plants and making life difficult for more marginal operations which might have survived at a time of stronger demand.

Over the past year British demand for textiles and production have remained relatively stagnant. Even in more buoyant economies, such as West Germany, increased consumer expenditure has not been directed towards textiles. Hoechst, one of the big German fibre groups recently announced a major scheme to stimulate spending on clothes, but has since had to cut production of polyester staple and filament by 25 per cent. and introduce short-time working. Rhone-Poulenc, the French producer, and Du Pont have also had to return to short-time working on the Continent, and Montefibre in Italy has announced a wave cut instead.

Throughout Europe the big fibre producers have had to abandon hopes that this year would bring a return to profit or at least to break even after their combined losses last year of more than £500m. In a blunt warning to employees last month, Dr. Brian Smith, chairman of ICI Fibres, said that the market for fibres and textiles was generally tougher than a year ago.

In the U.S. Du Pont recently reported that its fibre business was back in the red, having fallen back every quarter since the last three months of last year. One U.S. chemical company, FMC, has sold its fibres interests. Mr. Irving Shapiro of Du Pont, and his opposite number at Monsanto, Mr. John Hanley, have both recently pre-

dicted a further shakeout with smaller producers shutting down plant because of serious overcapacity, currently put at some 30 per cent. in the U.S. The continued problems within the textile sector—largely as a result of very slow growth of demand, coupled with increasing imports—is the basis of the arguments now being put forward in Brussels by Comitextil, representing the textile producers and AEIH, representing the clothing producers. Textile trading around the world is currently regulated by a GATT agreement, the Multi-Fibre

to advance the hypothesis that fear of civil disobedience could be as potent a stimulus to official nervousness as civil disobedience itself. A few isolated incidents of direct action could even help to create a climate of civil suspicion towards all opposition to nuclear power.

A spokesman for Friends of the Earth insisted yesterday that the group was not advocating such action, stressing that its booklet *Nuclear Prospects* uses past examples of direct action, notably by the old Committee of 100, only to point out what authority may have to contend with one day.

Friends itself was started in California in 1969 by David Brower, a publisher and keen mountaineer who at that time had two preoccupations: supersonic transport and the Alaskan oil pipeline. There are a dozen autonomous groups now in operation outside the U.S., and among the U.K. campaigns have been non-returnable bottles, the since-dropped copper project for Snowdonia, and the protection of whales.

An unusual feature of the report is that it has been produced in association with the National Council for Civil Liberties and, more surprisingly, the Council for the Protection of Rural England, the latter not generally regarded as an overtly radical group.

Lousy
Help! Rats, mice, maggots, cockroaches and nameless and numberless other pests could be on the rampage soon in Buckingham Palace, the House of Commons, and in the Royal Parks, according to the Institution of Professional Civil Servants. It blames a decision by the Ministry of Agriculture, Fisheries and Food to abolish a pest control unit which services at least 100 Crown buildings. IPCS opposes the decision: "A

Arrangement, which, broadly, is intended to open up markets in developed countries to the newly industrialised nations. Restrictions may be imposed where, for example, rapid growth of imports of a particular textile commodity such as suits or shirts, or woven man-made fibre fabric threaten disruption.

Even then, however, the supplying country has to be granted a minimum 6 per cent. growth rate per annum, and in the agreements which the EEC concluded with the main suppliers under the present MFA agreement an average

Europe and of textile demand were expected to continue broadly at much the same rate as in the late 1960s and early 1970s.

The man-made fibre producers, who together with other textile sector groups have also seen the Commission, have suggested that instead of a series of limitations on sensitive products from certain supplying countries, quotas should be used to put a ceiling on the total number of shirts or suits, for example, which may be imported into the EEC.

In the past the imposition of quotas on any one supplying country has merely resulted in

into the objection that if textile goods can be produced more cheaply in other centres, European consumers should be allowed the benefit without restrictions, but the matter is not so simple. Nor is it merely a case of the lower wages paid in the main overseas supplying countries.

Producers in the Far East have secured a competitive advantage partly as a result of their manufacturing structure or domestic market policies. Hong Kong for example has avoided involvement in fibre production, preferring to buy on world markets at the best available price. As a result it can be very competitive at times of recession. Other major producers, such as South Korea and Taiwan, protect their relatively large home markets and recover fixed costs there, thus being able to price aggressively abroad.

The implications therefore of merely deciding to extend the MFA as it stands could be towards a European strategy.

Meriden at St. Andrews, Scotland, has been working as a consultant since he retired from Associated Engineering three years ago. He will not exclusively but not full-time for Meriden (his contract specifies that he works a decreasing number of days in successive three-month periods, eventually putting in 20 days a quarter). One of his main objects will be to train up a successor—and on Monday, he plans to propose that Johnson be made deputy chief executive, which presumably means that he should end up in the top job.

The second important development of the week is that Meriden is to start making "Joggers", keep fit kits consisting of rollers upon which the energetic can run without going anywhere. Meriden will assemble £50,000-worth of them initially. The connection with motor cycles may seem remote except that Joggers are the brainchild of the Austrian Steyr-Daimler-Puch company, mentioned as a candidate to rescue the old Birmingham Small Arms motor cycle business in the early days of crisis before Meriden was established.

Johnson sounded enthusiastic yesterday about this "leisure activity" but worried about the non-appearance so far of 1,200 kits of 125cc. lightweight motor cycles from Moto-Guzzi in Italy. Meriden has paid the duty, so the kits are in the country, but Johnson was uncertain about the reasons for transportation delays. Assembly should have started four weeks ago.

Closed shop
Press and public are being excluded from the first business session of the Association of British Travel Agents convention in Athens next week. The subject: "Are we too restrictive?"

Observer

MEN AND MATTERS

Nuclear fuss: autocrats and disobedience

Those fearful of nuclear energy will surely leap gleefully upon the remarks of Lord Hinton, the engineer responsible for Britain's highly successful first nuclear reactor, the *Magnum*, today. For Hinton suggests bluntly that unless the U.K. nuclear industry can return to an "autocratic organisation" led by one engineer, it might well consider saving cash by opting out of the reactor development end of the business.

His comments coincide with the latest publication from the environment group Friends of the Earth, every line of which makes plain that what they fear most is the kind of oppressive autocracy to which they believe we must submit in order to enjoy any benefits from nuclear energy.

But in what it admits on Page One is "a very speculative paper"—the one point with which the U.K. Atomic Energy Authority heartily agrees—the authors talk about civil disobedience if the Government will not abandon its nuclear plans.

"It is difficult to speculate on the forms civil disobedience against the nuclear power programme could take," the authors say innocently. But they go on to suggest that we might "expect" demonstrations and occupations, theft of documents and fissile materials, obstruction of nuclear waste transport, occupation of power stations.

Direct action interfering with power supplies would present the government with "acute difficulties," they note encouragingly. Its response "would embrace every kind of device or campaign for influencing public opinion, from the subtly persuasive to the obviously coercive."

Then it goes on defensively

classic example," intones a spokesman predictably. "of bureaucratic bungling."

Keeping fit

Many businesses are running hard to stand still at the moment, not least the unpredictable Meriden Motorcycle Co-operative, launched controversially with £5m. of State aid and the subject of critical scrutiny again by Parliament's Public Accounts Committee last week.

One aspect of that unpredictability was touched on in the committee's report. Management advice was given to the Meriden organisation earlier this year by a team of three executives from GKN, rather surprising in view of that group's stated passion for more traditional forms of private enterprise. The GKN help, which lasted three months, was specifically blessed by Barrie Heath, GKN chairman, a member of the Bullock committee on industrial democracy, and not an enthusiast for TUC ideas on worker directors.

Then, in the last couple of days, have come two developments which could further change life at Meriden, where 700 workers each week produce between 300 and 350 large Bonneville machines. First, a professional manager in the person of 44-year-old Phil Love, former managing director of Associated Engineering's bearings division, has been appointed as chief executive. He starts work next Monday to fill the gap left by the departure last February of David Jones, ex-Jensen Motors' manufacturing director, who only stayed at Meriden nine months. Until Love's arrival, the work is being done by Dennis Johnson, the co-operative's chairman, who has throughout his acting chief executiveship stuck with the 556-a-week basic which the whole workforce draws.

Love, who lives far from

Do you know current market rental values?
Are you aware of the proper basis on which to value?
What is the structural condition of your property?
How has your property portfolio changed since last valuation?
Do you know how the property is affected by planning or other legislation?
For professional advice on the many problems associated with property valuation consult

Edward Erdman

Prospects after the sterling crisis

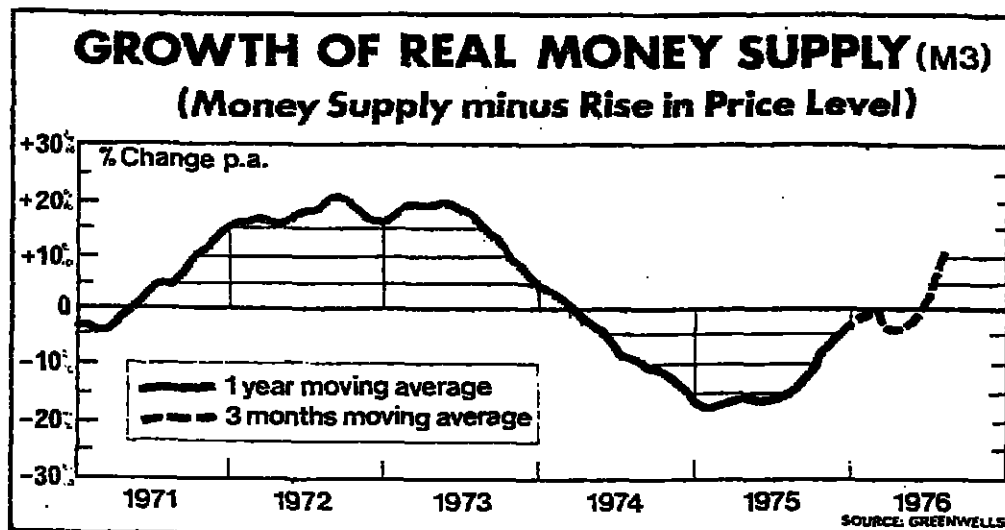
HING is for ever. Within weeks the IMF credit will be negotiated, the Government will have to take its financial measures, and the balance of payments will be on the horizon. There will be any number of divergent forecasts, alarms and breakdowns in the markets. But it is inconceivable that the IMF deal will be allowed to fall or sterling should long con- sider the threat of a balance withdrawal. Then is the business going to look like once again, mismanagement, and statements and over-optimism of the last months are behind us?

At the world scene, we know the fact that there is a pause in economic growth in the main industrial countries. Second and third quarters are year. There are signs recovery has now already resumed, but at a rate pace.

According to the historical able, the world trade cycle is so far from its upper point. The official pre- forecast World Economic review (available as a special ment to any firm signing a long-term agreement) suggests a slowdown or recession d begin by the end of 1977.

Corporate forecasts put turning point in 1978. The of the world industrial ity is usually estimated at 1 cent. to 5 per cent. per, and a recession is ed as a growth rate sub- ally less than that.

What is it worth, the U.K. to lag about a year behind U.S. and other leaders of world trade cycle. British sers now account for such



price for union promises of wage restraint.

Whatever the reasons for the structural change, it is there. A sharp rise in the price of oil in 1973 would lead to a vir- ual worldwide slump, a gentle up- turn to a gentle slowdown. An attempt by governments to whip up demand would simply lead to a large inflationary slump in the late 1970s; and any British hints in this direction are likely to fall on wisely deaf ears.

British producers start the present phase of the trade cycle with a highly competitive ex- change rate. An exchange rate of just under \$1.80 compensates fully for the effects of different British and U.S. inflation rates since August, 1971, before the dollar was fixed. The present exchange rate provides a margin of well over 10 per cent. in hand from a trading point of view.

Exchange rate depreciation has a contractionary effect on domestic spending power be- cause of the rise in import prices. On the other hand it has an expansionary effect on exports and import substitutes. The expansionary effect is regarded as larger on standard forecasting assumptions — assumptions in need of query.

The Treasury assumes that for every 4 per cent. deprecia- tion of sterling, British prices rise by 1 per cent. This is simply a reflection of the fact that about 25 per cent. of domestic spending is on imports. But the reasoning is misleading. There is such a thing as an international level of prices for traded goods, exports and imports alike. The sterling equivalent of this goes up in full proportion to the devaluation.

British manufacturers com- peting with imports will be able to afford to raise their prices and price control is not a com-

plete blockage. Only the other day I heard how a manufacturer of a well known product was making plans to avoid it by the transshipment of his goods to Belgium for re-importation to the U.K. Moreover, some of the most important prices of all — namely wages — will rise most of the way with other prices. It is less misleading to assume that a 4 per cent. devaluation ultim- ately leads to a rise of nearly 4 per cent. in prices.

The suspicions of practical men that this is so have now been confirmed by years of mathematical research into international monetary theory. Someone who had stuck to David Hume's essays of the 1750s could have read all this in lucid prose and spared him- self the intellectual U-turns of the intervening two centuries.

Thus on top of the underlying 10 to 15 per cent. rate of infla- tion there is a potential price rise of 10 per cent. in the pipe- line reflecting "excess deprecia- tion." The normal forecasting assumption that devaluation boosts output and employment depends on there being a passive monetary policy; in other words that the increase in the price level is financed. Indeed, the runaway monetary expansion of the summer months was both financing and inducing the de- preciation.

There are now three theo- retical possibilities:

- A 10 per cent. boost to the price level is financed, thus mak- ing for a total inflation rate of 20 to 25 per cent. in the next 12 months.
- It is not financed; the real value of the money supply is reduced and there is a powerful constraint on domestic demand.
- Sterling jumps back to \$1.80 after the IMF and sterling balance agreements and there is no excess inflation for finance.

The first case can be ruled out. Our international creditors will insist on a rigid adherence to the 12 per cent. monetary target this year and a lower one next year. The American and German administrations will be happy to take refuge behind the IMF, so, too, will the Treasury and Bank of England who have been driven by fear into the "unbelievable monetarism" mentioned on Tuesday.

Pressure point

The third result, a return to \$1.80 would be the best way of reducing the inflation rate quickly for the least domestic cost if it came about through spontaneous market forces. But for numerous reasons it is unlikely; and we would be risk- ing a monster sterling crisis if

such a rate were engineered artificially.

The most likely result there- fore is that the money supply will grow less than is required to finance a normal expansion of output, and that the U.K. economy will move back into domestic recession while the rest of the world is still expanding. The sense of finan- cial crisis may well evaporate with both sterling and the balance of payments looking firmer; and the pressure point will move to the labour market, where wage frustration and un- employment fears could collide in menacing fashion.

Often in the past inflation has been transformed into a pay- ments deficit by Government policy. This time the potential and inflationary benefits of tight money will be transformed into a payments surplus. One is irresistibly reminded of 1969, when Mr. Roy Jenkins' credit squeeze brought a sharp pay- ments improvement, but did not prevent a wage explosion. If the squeeze had been kept up into the 1970s, inflation would in due course have subsided; and after several winters of discontent we should now be better off with unemployment lower than it now is. But the Heath Government opened the monetary floodgates; and the temptation for another Govern- ment to do so in the late 1970s will be nearly as great, especially if North Sea oil is living up to expectations.

The best summary of the forces — domestic and inter- national — affecting output and employment is provided by the chart. From 1971 to 1973 the money supply rose faster than prices, there was a boom in output; but a large amount of

Money supply

In the middle of 1976 it looked as if the real money supply had stabilised. Output and activity were set to rise at a normal rate or slightly better; and unemployment was about to stabilise or fall slightly but still remain above 1m.

Now, however, prices have been boosted by devaluation and monetary growth restricted by policy. Unemployment, and unused capacity are set to increase. Output may not stagnate altogether, but the 2-3 per cent. forecast for next year by many international corporations — and probably by the Great GNP — could well be too optimistic.

Is all this masochism really necessary? No. But it will require a separate article to outline the combination of Milton Friedman and Harold Lever which will be required to avoid it; and for the moment no names for who might provide the combination in the right mixture.

Union promises

The trade off between unem- ployment and increasing infla- tion has become worse in coun- tries with moderate unions, militant unions, strong unions, weak unions and in coun- tries where unions are banned altogether. This fact should make one pause before either attributing all the blame for the deterioration onto unions or paying too high a political

Letters to the Editor

Advance in the ranks

Mr. A. Neate

I have listened to John and Lord Waddington's CBI complaining bitterly treatment of middle man- agement and asking for action of taxation.

I doubt there has been an in of differentials but an ination of company reports that things can't be all that Below are some figures of oyes earning over £10,000

| | March 1975 | March 1976 |
|---------|------------|------------|
| Initial | 85 | 154 |
| | 8 | 144 |
| and | 6 | 13 |
| lars | 20 | 68 |

ese figures are typical of general picture. Clearly the management has made advance and it will be in- tending to see company reports by year ending March 1977. this subject Sir Geoffrey has stated that because of taxation there is a con- siderable "brain drain." Now rica has over 7m. un- employed and serious unemploy- t exists throughout the tern world. Where then is "brain drain" going? Which tries are prepared to allow middle managers to take for which, presumably, they e plenty of candidates?

Ie conclusion that offers it is that the CBI and the Con- sative Shadow Chancellor are stating a good case for nining differentials to obtain concessions for all the higher

Paying for Borrowings

Mr. P. Griffiths

There may be a number of reasons for the sharp in the external value of the ut one which I think es examination is the ation entered into by cer- local authorities to repay n borrowings in foreign eney.

he dollar exchange rate n to fall rapidly during the quarter of this year. pping to Financial Statistics 2, there was an unusually e repayment of overseas ings during this quarter. does suggest that an im- ant cause of the pound's fall alue has been identified.

Industrial democracy

Mr. R. Scott

Mr. Many of us can sym- nise with Mr. E. S. L. ord's apprehension about lustrial democracy (October 25) but we may well dissent from solution.

It does not lie in "consulta- n and communication at every el." These are tactics not ngles and in many cases y caused trade union bers to be critical because y see no evidence that magement have allowed their actual decisions to be in- pped by employee views.

The trade unions may have eluded that consultation does involve power and have before pressed for structural ges to bring this about. All, they may well argue, hat about the West German ex- perience, which is claimed to be ingredient in industrial pro- dity. The U.K. took on this stance when we decided to

Area for new exports

From the Director
David Davies Memorial
Institute of International Studies.

Sir,—It is true, of course, as Dr. Nigel Lucas points out in your paper, that solar energy could only make a mar- ginal — though useful — con- tribution to energy conservation in this country, unless it is by way of photosynthesis and sub- sequent conversion to methane gas. Here I am not competent to judge whether the amount of land required in such a process would be economically defensible. Where, surely, the future of solar energy lies is in the tropical and sub-tropical countries. For these to be dependent on imported oil seems to me to be the height of folly.

One of the points made about the production of solar energy units at this time is that there is no large manufacturing pro- cess engaged in this, but if there were a large export market avail- able then there might be a spin- off reducing very substantially the costs of such units.

M. M. Sibthorp.
Thornley House,
94 Smith Square, S.W.1.

Solar energy costs

From the Managing Director,
Futuristic Home Services.

Sir,—I have no great wish to become a prolific letter writer to newspapers nor to be a bore, but I must protest, yet again, at the utterly misguided bleatings of your other correspondents in regard to solar energy. Dr. Lucas (October 26) makes comparisons with the bulk supply tariff and states, unbelievably, that no saving on installed generating capacity can be anticipated because standby is necessary, and further goes on to refer to solar energy replacing "off peak" heat- ing of water as being even less attractive!—Why?

If one uses solar panels to replace or supplement electricity then the demands on the national grid surely must be reduced drastically. Assume that 10m. homes use an electric immersion heater as the sole means of heat- ing water and that the average usage is ten hours per day (that is approximately 300m. kilowatt hours of electricity, if each immersion uses 3kw per hour). Surely if solar collection systems contribute even a small percent- age, then the gross national saving is important enough for everyone to stop bleating or going on ego trips and start installing solar systems now!

Left luggage in Italy

From Mr. A. Grima.

Sir,—Is it not time that the Italian authorities take steps to warn prospective visitors to Italy of the risks they run if they leave luggage in the boots of their cars? My car has been robbed of its contents three times this year. The boot is always locked and on two occasions the car was in the garage of leading hotels in Rome and Milan.

The thieves are well trained and are in possession of keys to fit any model and can clear the luggage in a matter of seconds. The police are powerless to stamp out this crime, in Turin where my car was emptied of its contents the police told me that they have 50-60 car thefts every day and that I was lucky to still have the car.

The motoring organisations should give a firm warning to all their members of what lies in store for them if they leave their cars unattended for more than two minutes. The Italian authorities should also be pressed to issue warnings to motorists at all customs posts. I know of at least five friends who have had their cars completely stripped of their contents this year and I am sure that this kind of publicity will do the Italian tourist indus- try a great deal of harm.

Andrew Grima.
60, Jermyn Street, S.W.1.

A question of priorities

From Mr. H. Benjamin.

Sir,—The eloquent defence of Arts careers by the Head of Music, Huddersfield Polytechnic (October 25) could invariably have been better expressed and must deserve the sympathy of the artists as well as the argument that the artists are as wealth-pro- ductive as the technologists it comes, as so many argu- ments to-day, from the heart and not from the reason.

If every U.K. graduate became a painter, writer, dancer, com- poser or singer, playwright or actor, I'd love a shade of odds (and some) on the dollar and the mark. If they all found their way into industry, commerce and agriculture we might be a bit less coun- but we'd get by — and I don't doubt there would be plenty of actors and singers around too.

A modern civilised com- munity clearly demands a bal-

ance in the careers of the brightest of its young people but for goodness sake let's get our priorities right; the first thing is to afford to eat. It would be more difficult to find it inconceivable that they can make statements founded on conjecture rather than fact: I have several installations where solar collectors have totally replaced the previous means of heating water during the summer months, and at this present moment they make a significant contribution to costs and the overall annual savings are considerable.

So far we have only argued the case for domestic hot water. What do your learned correspond- ents say about solar systems for swimming pools? Are we going to see yet another stream of academical equations totalling to a misguided series of figures? Am I the only reader of your excellent newspaper in this country who will plead the case for solar energy collector systems?

S. Silver.
57, Watford Way,
Hendon Central, N.W.4.

Counting the jobless

From Dr. C. Turchi.

Sir,—I could not agree more with Mr. Collins's statement ("Trying to Count Unemploy- ment") that unemployment figures have now a more obviously political role to play. To be fair to the public, however, the Government should be trying to avoid the confusing proliferation of unemployment statistics of the American or Japanese type.

The Americans, for instance, are now being bombarded with seven main official rates of civilian unemployment (and each of them broken down into percentages by territory, sex, age, race and other groupings). Here is how the U.S. Bureau of Labor Statistics compiles the seven rates ("basic" rates):

- U-1 calculates those unem- ployed for 15 weeks or longer as a percentage of the total civilian labour force.
- U-2 is the percentage of job- lessers in the total civil- ian labour force.
- U-3 calculates unemployed household heads as a per- cent. of household heads in the labour force.
- U-4 measures seekers of full- time jobs as a percentage of the full-time labour force.
- U-5 the "official" measure proper, calculates the total unemployed as a percentage of the civilian labour force.
- U-6 includes the total "full- time job seekers. To these are added half of the seekers of part-time jobs and half the total on part-time work for economic reasons. This total is then calculated as a per cent. of the civilian labour force minus half the part-time labour force.
- U-7 the most inclusive rate is like "U-6" except that it also counts "discouraged workers," those not looking for jobs because they believe no work is available to them.

Take your pick of the results:

| U.S. Unemployment Rates, July 1976 (Seasonally adjusted) |
|--|
| U-1 ... 5.4 |
| U-2 ... 4.0 |
| U-3 ... 5.4 |
| U-4 ... 7.3 |
| U-5 ... 5.2 |
| U-6 ... 10.0 |
| U-7 ... 10.0 |

(Source: Bureau of Labor Statistics, Washington, U.S.A.). Costanzo Maria Turchi, Lecturer in Management at Thames Polytechnic, 68, Pier Avenue, Borneo Bay, Kent.

Tailwaggers club

From Mr. A. Scott.

Sir,—I see that the Prime Minister also says the Lords are undemocratic. Indeed they are and we need them as guardian of the electorate's wishes. At present we are governed by a tailwaggers club with scant re- gard for anyone's wishes but their own and there is no res- traint on them.

A. H. Scott.
102, Beeches Road,
Chelmsford, Essex.

To-day's events

Conference on Rhodesia begins, Geneva.

Upper Clyde Shipbuilders creditors' meeting, Glasgow.

Session of Supreme Soviet continues, Moscow.

EEC Economic and Social Committee Plenarises, Brussels.

Mr. Reginald Freeman, Minister of State, Environment, presents his Department's awards for housing design, Royal Institute of British Architects, Portland Place, W.1.

Arts Council annual report.

Mrs. Barbara Castle, MP, speaks in Worthing by-election cam- paign, Chichester.

Mr. David Ennals, Social Ser-

vices Secretary, addresses public meeting in Walsall North by- election, Willehall.

Energy Trends publication from Department of Energy.

Sir Lindsay Ring, Lord Mayor of London, presides at Court of Common Council, Guildhall, E.C.2, 1 p.m. (public admitted).

Lord Robens, giving first Sir Julian Salmon Lecture, will con- sider importance of service industries to British economy and relate this to future prospects for hotel and catering industry, Merchant Taylors' Hall, Thread- needle Street, E.C.2.

London Chamber of Commerce

seminar on trade opportunities in Switzerland, 89, Cannon Street, E.C.4, 10.30 a.m.

Bishop of Wakefield lectures on "The Persuasion Business," St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.

PARLIAMENTARY BUSINESS

House of Commons, Industry (Amendment) Bill, remaining stages. Local Government (Mis- cellaneous Provisions) Bill, con- sideration of Lords amendments. House of Lords Licensing (Scotland) Bill, report stage. Agriculture (Miscellaneous Pro- visions) Bill, consideration of Commons disagreement with certain Lords amendments.

OFFICIAL STATISTICS

Housing starts, completions and grants (Sept.-prev.). Stum clear- ance (third quarter prev.).

COMPANY RESULTS

Dunlop Holdings (half-year), Enlilab Property Corp. (half- year), McKeechie Brothers (full year), William Press and Son (half-year), Wood Hall Trust (full year).

COMPANY MEETINGS

Centre Hotels (Cranston), West Centre Hotel, S.W. 10.30. Custo- magic Manufacturing, Openstow, 2.30. Excalibur Jewellery, Ed- ington, 12 Holcombe, 38. Chesham Place, S.W. 12. Hume, Winchester House, E.C. 12.

Spillers off £2.9m. midway BPB forecasts but now recovering

REFLECTING A downturn in the Spillers-French Group, where rising costs and competitive pressures reduced margins, group pre-tax profits of Spillers fell by £2.9m. to £5.6m. in the half year ended July 31, 1976.

Since July, however, profits have shown a marked improvement and it is expected that the figure for the second half will exceed the £5.6m. of the first half, the comparable period of 1975 despite a sharp increase in interest charges.

Mr. Michael Vernon, chairman, said: "External turnover showed an increase of 18 per cent. in value to £287m. After tax and minority interest, the extraordinary charge of £207,000, the balance attributable emerges at £1.95m. compared with £3.32m. The extraordinary charge relates mainly to an accelerated nationalisation programme within Spillers-French and this cost will be substantially higher in the second half."

The interim dividend is unchanged at 0.8125p net, total for 1975-76 was 2.5025p paid from profits of £15m.

Following the forecast last May of a resumption of profit growth in the current year, Alginat Industries, the seaweed group, reports an advance from £795,000 to £1.19m. in pre-tax profit for the first half of 1976-77, and a total in excess of £2.4m. is forecasted for the full year which would compare with £1.65m. for 1975-76.

The improved trend of orders during the first quarter has continued to date. Some production difficulties were experienced at mid-year, due to further industrial action at the Girvan factory, but this has now been resolved and directors state:

"Also a slowdown was suffered at Bardsdale for a short period in August due to the drought. Some lost production is expected to be made up during the rest of the year however, and present indications are that second half profits will exceed the first half."

The profit achieved from a turnover up 24 per cent. to £8.5m.—is subject to tax of £621,000 (£514,000). The balance attributable to Ordinary holders emerges at £264,000 giving earnings per 25p share of 10.10p (8.81p).

The interim dividend is unchanged at 4p net—the total for the previous year was 12.5p. A holder has decided to waive a proportion of the interim dividend amounting to £5,000.

| | 1975-76 | 1976-77 |
|-----------------------|---------|---------|
| Turnover | £25,230 | £26,800 |
| Trading surplus | 3,718 | 3,815 |
| Depreciation | 7,200 | 10,575 |
| Trade interest income | 21 | 200 |
| Investment income | 5,231 | 18,588 |
| Finance charges | 2,522 | 2,702 |
| Share of associates | 230 | 5,572 |
| Profit before tax | 2,308 | 4,533 |
| Taxation | 2,075 | 2,975 |
| Net profit | 233 | 701 |
| Minority interest | 100 | 100 |
| Attributable | 1,33 | 3,33 |

Long-term prospects at John Shannon

Wholesale clothiers and restaurateurs John Shannon and Son reports turnover of £530,858 for the first half of 1976 and profits of £17,362 subject to tax of £9,025. Results for all 1975 showed turnover of £1.2m. and profits of £280,000 before tax of £57,823. The dividend was 8.00p net per 10p share.

The investment programme in new plant and machinery is going ahead as planned and the company intends to spend over £70,000 in the next three years.

The directors say that although the immediate future does not hold the brightest prospects, they believe that in the long term and given some improvement to the general state of the economy, the company should be well placed to improve its competitive position.

This, coupled with better use of property assets, will, they hope, start to show something of a more realistic return on capital employed.

Continuing the programme of rationalisation, a decision has been made to close the factory at Amworth and to concentrate production in the Walsall factory.

This will require some redundancy payments but all employed at Amworth have been offered jobs at Walsall. Once redundancy payments and expenses of closing Amworth are behind them, the directors expect savings of some £10,000 a year. There will also be other advantages of having all production in one place, they add.

Harrison Sons back in profit

A return to profitability is announced by Harrison and Sons for the first half of 1976 and the directors forecast that the trading result will continue to show an improvement.

While the amount is small—£2,000, compared with £245,000 loss—the rate of improvement is encouraging; turnover up from £8.92m. to £7.39m. reflects the diminishing scale of operation of

the City printing company, they say.

There has been a satisfactory increase in turnover in some important markets. It is also pointed out that profits are directly affected by the present high interest rates and indirectly by the effect these have on trade in general.

The net interim dividend is kept at 1.487p per 25p share. Last year's total was 2.244p and the deficit £310,000.

Following a professional valuation of freehold properties, the increased value has been taken to reserves; no provision has been made for deferred tax.

Five months

Turnover

Trading profit

Depreciation

Interest payable

Finance profit

Tax relief

Extra-ord. debit

Minority

Loss

Cost of restructuring

Printing company

1976-77

1975-76

1974-75

1973-74

1972-73

1971-72

1970-71

1969-70

1968-69

1967-68

1966-67

1965-66

1964-65

1963-64

1962-63

1961-62

1960-61

1959-60

1958-59

1957-58

1956-57

1955-56

1954-55

1953-54

BPB forecasts around £25m.

REFLECTING A higher volume of sales, particularly in France, BPB Industries, the building materials and paper and packaging concern, pushed up pre-tax profits by £5.2m. to £14.5m. in the half year ended September 30, 1976. But in forecasting around £25m. for the full term, compared with £19.3m., a virtual standstill in profit growth is indicated for the second half.

While remaining confident of an upward trend in demand in the longer term, Mr. N. M. Barrow, chairman, expresses concern about the reduction in U.K. building activity arising from the present economic situation. Public sector spending is to be reduced further, and high interest rates elsewhere will tend to reduce the flow of mortgage funds, resulting in lower demand for new houses in the private sector.

Looking at the overseas side—which represented 31 per cent. of the first-half group profit—the chairman says that anti-inflation measures are likely to become a restricting influence on the recent high level of activity particularly in France and Canada.

Group sales for the half year showed an advance from £96.4m. to £120.8m. An analysis shows that sales of building materials in the U.K. improved from £48.92m. to £56.42m., while in Canada and France advances from £11.7m. to £17.5m. and from £18.58m. to £23.96m. respectively were recorded. U.K. paper and packaging sales went ahead from £23.77m. to £28.77m.

Profits from U.K. building materials rose from £3.03m. to £5.36m., in Canada there was an increase from £0.87m. to £0.97m. while in France the contribution expanded from £0.39m. to £2.9m. The U.K. paper and packaging side achieved an increase from £2.24m. to £3.33m.

The chairman reports that the group's capital expenditure programme is continuing according to plan. In line with confidence in the long-term future of the main product, increased capacity for plasterboard is under construction in France and Canada and plans are under consideration for a further plant in the U.K.

After tax and minorities the balance attributable to BPB emerges at £7.27m. compared with £4.63m., giving earnings per 50p share up from 12.3p to 16.6p. The interim dividend is raised from 3.1p to 3.4p net—the total for 1975-76 was £209p.

Statement Page 26

1976-77

1975-76

1974-75

1973-74

1972-73

1971-72

1970-71

1969-70

1968-69

1967-68

1966-67

1965-66

1964-65

1963-64

1962-63

1961-62

1960-61

1959-60

1958-59

1957-58

1956-57

1955-56

1954-55

1953-54

1952-53

1951-52

1950-51

1949-50

1948-49

1947-48

1946-47

1945-46

1944-45

1943-44

1942-43

1941-42

1940-41

1939-40

1938-39

1937-38

1936-37

1935-36

1934-35

1933-34

1932-33

1931-32

1930-31

1929-30

1928-29

1927-28

1926-27

1925-26

1924-25

1923-24

Interim Statement

The Chairman of Gill & Duffus Group Ltd., Mr. F. M. Gill, reports:

- » 1976 Profits estimate £10 million
- » Interim dividend 2.6p (4.0p gross)
- » Board intends to recommend maximum permitted dividend for year of 8.8p gross (1975 8.0p)
- » Increased activity in group's worldwide trading

| | 1976 (estimated) | 1975 (actual) | 1974 (actual) |
|-----------------------|------------------|---------------|---------------|
| £000 | £000 | £000 | £000 |
| Group profit | 10,000 | 7,443 | 6,250 |
| Taxation | 4,750 | 3,405 | 2,833 |
| Profit after taxation | 5,250 | 4,038 | 3,417 |

Gill & Duffus

St. Dunstan's House, 201 Borough High St. London SE1 1HW
Telephone: 01-407 7050

International merchants, brokers and processors in a wide range of primary commodities.

Overseas subsidiaries and associates in: U.S.A. • Canada • Brazil • Ghana • France • Switzerland • Germany • Hong Kong • Singapore • Malaysia • Australia

Capper-Neill are going places:



Our world is getting bigger all the time.

As the Capper-Neill group of companies continues to increase in size and number so does the range and diversity of our international activities.

We now design, fabricate and erect storage tanks, pipework and process plant for industry in four continents, in areas as far apart as West Africa, Canada, Persian Gulf and the Far East. At home, we have recently won major contracts in England, Wales and the Republic of Ireland.

Our prospects for continued progress look bright. Like we said, Capper-Neill are going places.

Capper-Neill Limited, Woolston, Warrington, Cheshire WA1 4AU. Telephone (0925) 812525. Telex 628382.

Capper-Neill
Storage tanks, pipework and process plant for world industry.

Telephone Rentals

INCORPORATING
DICTOGRAPH TELEPHONES LIMITED
OPERATING IN SERVICES

INTERIM STATEMENT FOR THE HALF YEAR ENDED 30th JUNE, 1976

On the 27th October the Directors declared an Interim Dividend of 5.5% (1975-5%) on the Ordinary Share Capital in respect of the year to the 31st December, 1976, payable on the 8th December, 1976, to the Shareholders of the Registrar at the close of business on 12th November, 1976 absorbing £283,640. (1975-£498,127).

The Consolidated Profit Statement of the Group (unaudited) for the half year ended 30th June, 1976 is as follows:

| | 1976 £000's | 1975 £000's | Year 1975 £000's |
|---|----------------|----------------|------------------------|
| Half Year to 30th June | | | |
| Turnover: | | | |
| Rental | 7,711 | 6,976 | 14,253 |
| Sales and other | 5,082 | 5,240 | 11,947 |
| | 12,793 | 12,216 | 26,200 |
| T.R. Group Profit before | 3,927 | 3,585 | 7,931 |
| Taxation | 2,010 | 1,839 | 4,089 |
| Less: Estimated Taxation | | | |
| Group Profit after Taxation | 1,917 | 1,729 | 3,842 |
| Less: Minority Interests | 18 | 7 | 25 |
| Balance of Profit attributable to Telephone Rentals Limited | 1,901 | 1,722 | 3,813 |
| Depreciation: Amounts charged in arriving at above Profit | 1,485 | 1,446 | 2,865 |
| Taxation: | | | |
| U.K. | 1,212 | 1,058 | 2,610 |
| Overseas | 291 | 229 | 591 |
| Transfer to Tax Equalisation Reserve | 506 | 552 | 888 |
| | 2,010 | 1,839 | 4,089 |

The figures for the 6 months to 30th June, 1976, have been amended for comparative purposes to reflect variations in foreign exchange rates during that year. United Kingdom taxation has been based on a Corporation Tax rate of 52% in both years.

Group Profits before Taxation for the first half of 1976 show a useful increase of 10.1% compared with the first half of 1975. New Rental business taken during the first nine months of this year shows a satisfactory increase over 1975's figures at this stage but New Sales business, as anticipated in the Chairman's Statement accompanying the 1975 Accounts, shows some diminution.

Taking into account the present monetary and economic situation in the United Kingdom, some slowing down in the present rate of progress must now be considered likely. However, despite this and the re-location expenses associated with the move to Milton Keynes, your Directors anticipate the results for the year as a whole will show some improvement over those for last year.

New Zealand
is as near
Telephone



Countryside recovery continues

FOLLOWING A virtual break-even position at half-time and the forecast of further recovery for the full year, Countryside Properties has turned in a pre-tax profit of £36,000 for the year ended June 30, 1976, and after a year's absence is returning to the dividend list with a payment of 0.23p gross.

For 1974-75 the group incurred a loss of £1.5m, which included provisions of £1.1m, against land and work in progress. The directors are satisfied that these are proving adequate.

The dividend proposal is in accordance with the previously stated intention to resume payments as soon as circumstances permitted, and the directors say that they anticipate a gradual improvement in distributions.

The total in respect of 1974-75 was 6.3p (or 4.33p net) paid from profit of £316,000, which was struck after a provision of £487,000 against land and work in progress.

In recent months the group has acquired additional prime

land and now has sufficient with planning permission for residential development all within the London commuter area to provide at least three years' work.

In addition the group has contracted to purchase in phases 170 acres of land at Chelmsford, Essex. These purchases are being achieved without increasing the group's overall level of borrowings, says chairman Mr. S. Boboff.

The forward sales position is reasonable and there are currently no completed houses unsold. To assist in maintaining sales a subsidy scheme has been introduced which will hold purchasers' mortgage repayments at the pre-increase level for 12 months.

Looking to the future, Mr. Boboff says prospects for the last few months had looked encouraging, although the most recent economic events might be expected to slow the group's recovery. Trading in the current year should be reasonably satisfactory providing there is no

Lighting & Leisure expansion

FOR THE year ended July 31, 1976, Lighting and Leisure Industries reports a profit increase of £186,742 to £910,642. Sales were £17.7m, ahead at £10.36m.

The directors state that this year has been achieved in a period of general adversity, and they expect to do better still "when tranquility returns to the economic scene". The company makes and distributes light fittings, camping and sports equipment and leisure fittings.

The year's experience demonstrates the inherent strength of having two separate and distinct divisions which rely on different seasons and are affected by differing influences. This has enabled the group to surmount the short-term factors affecting the lighting division and at the same time to improve on previous growth. Currently the demand for lighting is increasing.

The directors are concentrating investment in the leisure division in an effort to maintain the present level of profitability growth offered by this sector. As a first step, the freehold of a 51-acre site with a factory of some 165,000 square feet near the present factory premises has been purchased, to provide room for expansion as and when this is warranted.

Earnings are shown at 6.35p (5.5p) per 10p share, and the final dividend is the promised 1p to make 2p net on capital increased by a rights issue (2.3p). A one-for-four scrip issue is now proposed.

Firm ahead after six months

Pre-tax profit of Firms and Sons was £14,000 higher at £12,000 in the first half of 1976. In June the directors forecast that year-end results would show a satisfactory increase over 1975's record £29,885.

First-half earnings per 25p share are 5.2p (4.72p) and the interim dividend is lifted from 1p to 1.1p net — last year's final was 1p.

The company makes bodices, buttons and military ornaments.

Half year
1976 1975

| | | |
|----------------|---------|---------|
| Turnover | 665,711 | 515,793 |
| Trading profit | 22,880 | 13,100 |
| Invest. income | 19,000 | 13,300 |
| Pre-tax profit | 41,880 | 26,400 |
| Taxation | 7,500 | 6,500 |
| Net profit | 34,380 | 19,900 |
| Dividends | 14,111 | 12,510 |
| Leaving | £20,269 | £7,390 |

Economy hits Ulster harder than unrest

THE STATE of the national economy has had a greater effect on Ulster's industrial and business prospects than its own internal troubles, it was said yesterday.

Mr. Don Connean, Minister for Northern Ireland, said at a Ulster trade promotion luncheon in Bristol that workers and management had shown remarkable resilience in the face of adversity.

Since the beginning of the troubles to mid-1975, statistics showed that trade rose from £1.7bn. to more than £3.1bn., productivity increased by more than 28 per cent, and industrial output by more than 12 per cent.

But now unemployment has reached the disappointingly high figure of 10 per cent, as Ulster could not be isolated from the economic problems of the U.K., Mr. Connean said.

The trade show was an opportunity for the 25 Ulster firms and trade organisations represented to restate their ability to produce and deliver quality goods.

MINING NEWS

'Johnnies' feels the wind of change

BY KENNETH MARSTON, MINING EDITOR

BECAUSE of technical, economic and political factors, South Africa's mining finance houses will have to change their traditional policies in the task of maintaining and expanding the mineral development of Southern Africa, says Sir Albert Robinson in his annual review of Johannesburg Consolidated Investment.

He considers that the finance houses will have to adapt to the new nationalism in Southern Africa, the trend being towards managing and developing new projects to improve results with Governments and the mobilisation of new sources of capital funds. "With adequate guarantees whenever possible. Alternatively, development finance should be raised increasingly from international agencies."

On gold, Sir Albert stresses the need to increase productivity and to raise mill grades where possible in order to combat the problem of rising costs and low bullion prices. He points out that at a gold price of \$116 per ounce, the average monthly per capita production in the South African gold mining industry is worth R482 while each employee consumes about R165 in goods and services and receives remuneration of some R136.

"Johnnies' policy is to concentrate its immediate efforts on bringing the new ventures to the profit-making stage which will mean some reduction in prospecting and research. The investment in Rustenburg Platinum was acquired in exchange for certain shares in the 'Johnnies' portfolio with the result that the capacity with making share dealing profits has been reduced.

But any diminution in share-dealing profits should not have any adverse effects on dividend policy, says Sir Albert. He looks forward to improved results if the world business recovery is sustained but adds that it will not be until well into 1977 before a more accurate picture will emerge of the earnings picture for the current year to next June. The shares were £14 yesterday.

CGFA meeting

THE FUNDS to be received by Consolidated Gold Fields Australia for the sale of part of its interest in the Mount Goldsworthy iron ore project to Consolidated Gold Fields will be used for the Australian subsidiary's Gunpowder copper mine and the



Sir Brian Massy-Greene

RANDFONTEIN'S LOAN LIMITS

The South African gold and uranium producer, Randfontein Estates, is seeking a general meeting on November 17 to change its articles of association so that its borrowing powers may be extended to R140m. (£10.12m.) from £5m. Although Randfontein does not plan to borrow on this scale at present, it is seeking flexibility in the financing of future uranium expansion, as it expects to acquire a 50 per cent interest in the R140m. Randfontein contract with Nuclear Fuels Corporation of South Africa.

WESTERN MINING AWAITS UPTURN

The major Australian nickel producer, Western Mining, is still waiting for a substantial increase in demand, although there was some improvement in the markets during the first part of 1976. In the group's annual report, the chairman, Mr. A. H. Parbo, says, "A substantial increase in demand still awaits an upturn in capital investment, to which nickel usage is largely related."

But the directors point to the recent upward movement in the producer price of nickel, they say, "will affect future revenue." Lack of Canada increased its world price of elec-

EARNINGS RISE AT LORNE

Increased production and improved copper prices have

COMPANY NEWS IN BRIEF

ELLENROAD RING MILL—Turnover 24 weeks to September 26, 1976, £2,720,457. Pre-tax profit £65,800. Tax £27,000. £37,800. (£36,200). Other non-current assets £14,350m. (£14,600m.). Current assets £11,250m. (£11,000m.). Non-current liabilities £11,000m. (£11,000m.). Current liabilities £11,000m. (£11,000m.). Net assets £11,000m. (£11,000m.).

THE GREAVES ORGANISATION—Results year to March 31 1976, already known. Fixed assets £62,721,000. (£62,721,000). Current assets £12,000,000. (£12,000,000). Net assets £74,721,000. (£74,721,000).

WEST TALESMAN INVESTMENT COMPANY—Pre-tax loss year to March 31, 1976, £2,423 (£19,575). Tax charge £4,415 (£27,998). Director looking for long-term investments to enhance value of company. RE SOUTH (mineral exploration and

MARY KATHLEEN PRODUCTION

The only uranium mine currently operating in Australia, Mary Kathleen produced 181 tonnes of uranium oxide in the September quarter. Operations resumed in March after stopping in 1963, and up to the end of June 120 tonnes had been produced.

In August, Mary Kathleen, which is part of the Rio Tinto-Zinc group, had to borrow uranium from the U.K. to meet contracts with an American group; a paradoxical situation in view of the fact that Australia could produce the world's biggest uranium ore reserves. The country's Fox Commission report on environmental aspects of uranium mining is expected to be released to-day and Government decisions on uranium mining and export policy have been delayed pending its findings.

MINING BRIEFS

PEKO-WALLSEND—12 weeks to

Peko Mine
Ore treated (tonnes) 23,776 30,973
Production:
Copper (tonnes) 27
Gold (tonnes) 3,342
Blasch (kilograms) 36,000

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Mount Morgan Mine
Overhaul removed
Ore treated (tonnes) 35,825 92,992
Production:
Copper (tonnes) 204,200 205,630
Gold (tonnes) 18,128 4,138

Kings Island Mine
Ore treated (tonnes) 79,446 86,235
Production:
Copper (tonnes) 389 389
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

Pelex and Greater Caribou
Washed coal (tonnes) 131,128 97,128
Production:
Copper (tonnes) 59,239
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Mount Morgan Mine
Overhaul removed
Ore treated (tonnes) 35,825 92,992
Production:
Copper (tonnes) 204,200 205,630
Gold (tonnes) 18,128 4,138

Kings Island Mine
Ore treated (tonnes) 79,446 86,235
Production:
Copper (tonnes) 389 389
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

Pelex and Greater Caribou
Washed coal (tonnes) 131,128 97,128
Production:
Copper (tonnes) 59,239
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Mount Morgan Mine
Overhaul removed
Ore treated (tonnes) 35,825 92,992
Production:
Copper (tonnes) 204,200 205,630
Gold (tonnes) 18,128 4,138

Kings Island Mine
Ore treated (tonnes) 79,446 86,235
Production:
Copper (tonnes) 389 389
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

Pelex and Greater Caribou
Washed coal (tonnes) 131,128 97,128
Production:
Copper (tonnes) 59,239
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Mount Morgan Mine
Overhaul removed
Ore treated (tonnes) 35,825 92,992
Production:
Copper (tonnes) 204,200 205,630
Gold (tonnes) 18,128 4,138

Kings Island Mine
Ore treated (tonnes) 79,446 86,235
Production:
Copper (tonnes) 389 389
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

Pelex and Greater Caribou
Washed coal (tonnes) 131,128 97,128
Production:
Copper (tonnes) 59,239
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Mount Morgan Mine
Overhaul removed
Ore treated (tonnes) 35,825 92,992
Production:
Copper (tonnes) 204,200 205,630
Gold (tonnes) 18,128 4,138

Kings Island Mine
Ore treated (tonnes) 79,446 86,235
Production:
Copper (tonnes) 389 389
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

Pelex and Greater Caribou
Washed coal (tonnes) 131,128 97,128
Production:
Copper (tonnes) 59,239
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Mount Morgan Mine
Overhaul removed
Ore treated (tonnes) 35,825 92,992
Production:
Copper (tonnes) 204,200 205,630
Gold (tonnes) 18,128 4,138

Kings Island Mine
Ore treated (tonnes) 79,446 86,235
Production:
Copper (tonnes) 389 389
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

Pelex and Greater Caribou
Washed coal (tonnes) 131,128 97,128
Production:
Copper (tonnes) 59,239
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

June Mine
Ore treated (tonnes) 13,496
Production:
Copper (tonnes) 45
Gold (tonnes) 11,641
Blasch (kilograms) 45,601

Warrago Mine
Ore treated (tonnes) 45,013 25,438
Production:
Copper (tonnes) 801 320
Gold (tonnes) 24,115 25,370
Blasch (kilograms) 199,865 140,857

GUS retailing row in Japan

BY DOUBLAS RAMSEY IN TOKYO AND STUART ALEXANDER IN LONDON

AN EXPERIMENTAL agreement between Japan's second largest department store chain and Great GUS supplied catalogues to Universal Stores, for the sale by the Japanese, who used them to catalogue of British goods in order the goods, which run from Japan, has broken up amid fur coats to mopeds; from GUS counter accusations over poor quality goods and ineffective marketing.

Great Universal Stores said yesterday that it had terminated the agreement with Daimaru, after the chain had sold only a few thousand pounds worth of goods in the last six months.

However, the store claimed that the goods were far below Japanese quality. This was made a loss from the start, countered by GUS, who said that the Japanese ignored the fact that the goods at the middle market and continued, instead, to sell to the top end of the market. GUS claimed success for similar ventures in other areas, especially Iran, and points also to the success of its Burberry and Hardy Amies ranges in Japan but added: "These complaints may well have been made to save face as the Japanese economy has suffered a severe setback in consumer goods demand."

"During the entire test period we have had no complaints from Daimaru and the reason we decided to terminate was that Daimaru was not making sufficient use of the goods at their end," said Mr. Harold Bowman, a director of GUS.

The agreement was originally a Commons written reply to Mr. drawn up after GUS had been Ronald Atkins (Lab., Preston approached by the Japanese trad-

Lorry damage

DAMAGE to road structures caused by 1,000 12-ton lorries is estimated to be similar to that caused by 10,000 cars, attributed to 100m. cars.

Mr. John Horan, Transport Under Secretary, stated this in a Commons written reply to Mr. drawn up after GUS had been Ronald Atkins (Lab., Preston approached by the Japanese trad-

RECENT ISSUES

EQUITIES

| EQUITIES | | | | | | | | | | | | | | |
|----------|-------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|
| 1976 | | | 1975 | | | 1974 | | | 1973 | | | 1972 | | |
| Amount | Price | Issue | Amount | Price | Issue | Amount | Price | Issue | Amount | Price | Issue | Amount | Price | Issue |
| 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 | 1967 | 1966 | 1965 | 1964 | 1963 | 1962 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| F.P. | 170 | 170 | 170 | 170 | 170 | 170 | 170 | | | | | | | |

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Granges dividend doubt after interim losses

BY WILLIAM DULLFORCE

STOCKHOLM, Oct. 27

GRANGES, Sweden's heavy industry group, today warned shareholders that a heavier operating loss than anticipated this year and unsatisfactory prospects for 1977 would "inevitably" affect this year's dividend payments.

Last year Granges maintained a dividend of Kr.11 a share despite a collapse in pre-tax earnings from Kr.589m. to Kr.135m. Today, when presenting the interim report for the period to August 8, the managing director, Mr. Johan Akerman, anticipated a pre-tax loss of around Kr.180m. (€20m.) for 1976.

The net profit is expected to work out at minus Kr.10 per share compared with Kr.6.50 last year.

Mr. Akerman blames the group's plunge into losses on the continuing crisis in the international steel and shipping markets, combined with a particularly unfavourable cost development. The group's Swedish payroll costs have risen by some Kr.400m. (or by 40 per cent.) during 1975 and 1976, seriously impairing Granges' ability to compete internationally, he states.

The business revival apparent in most group branches at the beginning of the year has tapered off and the management finds it impossible to estimate when the recovery trend will be renewed. The 1977 result will also be "unsatisfactory".

Under these circumstances, Mr. Akerman warns that the group's investment rate must be reduced and "consequences will arise concerning the possibility of maintaining loss-making opera-

tions at Granges' Scania plant in Denmark in order to compete more effectively with Pilkington's new Swedish glass works.

In the aluminium field, Granges' prospects are brighter. The aluminium division will show much improved earnings this year as a result of better prices and heavier concentration on fabricated products. This down-market development was promoted by Granges' purchase of SABA, the Scandinavian Aluminium sections manufacturer, from Rio Tinto Zinc in June.

Granges' shipping will have a substantial deterioration in operating results this year but the division has made significant cash gains from the sale of eight ships.

The group interim report for the period to August 8 shows a change from pre-tax earnings of Kr.78m. in the corresponding period last year to a loss of Kr.165m. this year. Sales rose slightly from Kr.2.9bn. to Kr.3bn. (€430m.).

Net financial charges rose from Kr.25m. to Kr.64m. The group has made a 7 per cent. bond issue of Sw.Frs.80m. on the Swiss market and a 9 per cent. debenture issue of Kr.100m. on the domestic market so far this year.

Its liquid assets are expected to be some Kr.500m. by the end of the year compared with Kr.64m. at the end of 1975. Mr. Akerman points out that it has long been group policy to maintain a high level of liquidity and that the figures given do not include overdraft facilities and other short-term financing possibilities available.

operations at Granges' Scania plant in Denmark in order to compete more effectively with Pilkington's new Swedish glass works.

In the aluminium field, Granges' prospects are brighter. The aluminium division will show much improved earnings this year as a result of better prices and heavier concentration on fabricated products. This down-market development was promoted by Granges' purchase of SABA, the Scandinavian Aluminium sections manufacturer, from Rio Tinto Zinc in June.

Granges' shipping will have a substantial deterioration in operating results this year but the division has made significant cash gains from the sale of eight ships.

The group interim report for the period to August 8 shows a change from pre-tax earnings of Kr.78m. in the corresponding period last year to a loss of Kr.165m. this year. Sales rose slightly from Kr.2.9bn. to Kr.3bn. (€430m.).

Net financial charges rose from Kr.25m. to Kr.64m. The group has made a 7 per cent. bond issue of Sw.Frs.80m. on the Swiss market and a 9 per cent. debenture issue of Kr.100m. on the domestic market so far this year.

Its liquid assets are expected to be some Kr.500m. by the end of the year compared with Kr.64m. at the end of 1975. Mr. Akerman points out that it has long been group policy to maintain a high level of liquidity and that the figures given do not include overdraft facilities and other short-term financing possibilities available.

Lafarge forecasts rise in dividend

By David Curry

PARIS, Oct. 27

SOCIÉTÉ LAFARGE, the parent company at the head of the world's third largest cement making group, has promised that barring unforeseen events it will raise its 1976 dividend. Group consolidated turnover will be 10 per cent. up and net income flowing to the group will over 10 per cent. better than the previous year.

In a letter to shareholders, Mr. Olivier Leers, the President of Société Lafarge, announced a 14 per cent. advance in first half consolidated group turnover. The second half, he warned, would be less good than the first with third quarter activity stagnating in several sectors and the final quarter feeling the effect of lower activity, price controls and consequently lower margins.

The group's share in Consolidated net profit before extraordinary items in the first half was Frs.90.1m. against 51.3m. With extraordinary items the comparable figures were 76.3m. and 67.4m. respectively.

Although the French-based cement companies had a one per cent. decline in domestic deliveries and a 5 per cent. shortfall in export shipments, cuts in energy consumption and price increases last year and this lifted overall profits.

The Canadian operations were helped by the movement of the Canadian dollar against the franc, which counterbalanced the effects of a depressed construction sector. American activities had been disappointing because of the slow growth in the southern building industry, while Brazilian activities were healthy.

Plastermaking and plaster products were sound with the latter advancing strongly; packaging would fall short of its 1974 peak but it would remain respectable.

Mr. Leers picked out the purchase of a stake in the Karlsruhe cement works of Portland Zementwerk Wessing, its first participation in a Portland operation in Europe outside France.

He commented on the lowly share price of the company (around 180 francs against 230 in February) lamenting the influence of general economic conditions despite the progress of the company. All sectors of Lafarge, cement and non-cement home and abroad would contribute to 1976 profits, Mr. Leers said.

More Italian companies face wage payment problems

BY DOMINICK J. COYLE

ROME, Oct. 27

TOP LEVEL TALKS involving the Prime Minister, the Minister for Industry and the Governor of the Bank of Italy have now taken place in an attempt to find a short term solution to the financial problems of Montedison's loss making textile subsidiary, Montefibre, which has declared that it cannot meet in full this month's wages bill.

Montefibre's decision to limit October payments for its close on 30,000 payroll to 40 per cent. of entitlement, with a maximum per capita upper limit of L200,000 was reported in the Financial Times yesterday.

Since then some other Italian companies have admitted publicly to having difficulties in meeting their wage commitments either this month or next, including Fibra e Chimica del Tirso in Sardinia, which has 2,700 employees and is associated with the state controlled ANIC group and EGAM whose product range include textiles machinery.

Montefibre workers, like most of the employees who are already receiving their monthly pay today, have been told that they will be paid in full, but with a radio capital increase.

interview "there may be a delay in the payment of wages and salaries, but we are doing all we can to see that they are paid within the next couple of days."

The Minister acknowledged Italian industry as a whole. "The Montefibre was now in grave financial difficulties and the Government has already indicated that an industry deficit in the current year would be in the region of established, but as yet there has been no official indication as to the geographical areas of the country or which industrial sector are to get priority. Perhaps the Government's current policy of a tight credit squeeze will no further than the wages they and their trade unions are expected to receive. The Government has formed a special high level Montedison sub-committee within the Cabinet to examine what steps should be taken towards a possible reconstruction.

Montedison's shareholders are expected to meet next month to consider an increase in share capital and it will be for the Government to decide whether IRI and ENI the two big state sector holding companies who are already major Montedison shareholders are to subscribe part of the proposed capital increase.

KOC group forecasts record figures

By Metin Munir

ANKARA, Oct. 27

THE KOC group, Turkey's biggest company, today reported record revenue for the first half of the year amounting to 878m. a 58 per cent. increase compared to the interim figure for last year. Full year sales are expected to be a record.

Consolidated income before taxes was 887.2m., an increase of 48 per cent. from 598.7m. over the first six-month period of 1975.

A KOC source attributed the rise to the "healthy growth" of the Turkish economy, which is expected to register an 8 per cent. growth in real terms this year, and to show continuing strong consumer demand.

Strongest gains were made in the automotive division, which turned a 12.4 per cent. loss into a 12.4 per cent. profit. This was followed by the industrial division, where production capacity increases for consumer durables.

ABN earnings to be satisfactory

BY MICHAEL VAN OS

AMSTERDAM, Oct. 27

ALGEMENE BANK Nederland (ABN), which is floating a Frs.100m. debenture loan, said in the loan prospectus, published here today, that although there had been a number of developments influencing business this year, the management Board continued to be confident of "satisfactory" earnings for this year.

The bank, which saw net profits rise 12 per cent. in the first half of this year, said that results in the second half are being strongly influenced on the one hand by the increase in credit volume (advances) and on the other by the narrowing of the

interest margin as a result of the interest rate increases on the money market.

This added to the recent currency unrest make it difficult even today to predict how earnings may develop in the second half of this year, ABN adds in today's prospectus.

The bank's bond loan, whose issue price will be announced on November 1, 1976, will carry an interest rate of 9 per cent. while its term will be ten years. Subscriptions close in the afternoon of November 3.

ABN commented in its loan prospectus that the purpose of the float was to expand long-term capital. The reason for this

was that in the past few months, there has been a "gradual acceleration in the long-term advances."

ABN added that "besides an unabated continuation of growth in the housing mortgage loans sector, there was currently also evidence of some increase in the supply of medium-term finance credit to the corporate sector."

In the first half of this year, ABN's net profits totalled Frs.58.5m., compared with Frs.53.5m. in the corresponding 1975 period. Its consolidated balance sheet total stood at Frs.3.1bn. at the end of June this year.

NEW ISSUE

These Notes are offered and sold outside the United States of America. This advertisement appears as a matter of record only.

October 13, 1976

Can. \$30,000,000



CHRYSLER CREDIT CANADA LTD.

9 1/2% Guaranteed Notes Due 1982

Guaranteed unconditionally as to principal and interest by Chrysler Financial Corporation

First Boston (Europe) Limited

Credit Suisse White Weld Limited

Dresdner Bank Aktiengesellschaft

Swiss Bank Corporation (Overseas) Limited

Dominion Securities Corporation

Harris & Partners Limited

Merrill Lynch International & Co.

S. G. Warburg & Co. Ltd.

| | | | | |
|---|--|--|---|---------------------------------|
| Algemene Bank Nederland N.V. | A. E. Ames & Co. | Amsterdam-Rotterdam Bank N.V. | Andelbanken A/S Danabank | Andresens Bank A/S |
| Julius Baer International | Banca Commerciale Italiana | Banca del Gottardo | Banca della Svizzera Italiana | Banca Nazionale del Lavoro |
| Banque di Roma | Bank Gutzwiller, Kurz, Buehner (Overseas) | Bank of Helinski | Bank Leu International Ltd. | |
| Bank Leumi Le-Israel (Schweiz) | The Bank of Tokyo (Holland) N.V. | Banque Bruxelles Lambert S.A. | Banque Francaise de Depots et de Titres | |
| Banque Francaise du Commerce Extérieur | Banque Generale du Luxembourg S.A. | Banque Internationale a Luxembourg S.A. | | |
| Banque Lambert-Luxembourg S.A. | Banque Nationale de Paris | Banque de Paris et des Pays-Bas | Banque Populaire Suisse S.A. Luxembourg | |
| Banque Paribas | Banque Rothschild | Banque de l'Union Europeenne | Banque Worms | Baring Brothers & Co. |
| H. Albert de Bary & Co. N.V. | Barclays International Ltd. | Bayerische Landesbank Girozentrale | Bayerische Vereinsbank | |
| Berger Bank | Berliner Handels- und Frankfurter Bank | Brown Harriman & International Bank Ltd. | Caisse Centrale des Banques Populaires | |
| Caisse des Depots et Consignations | Cazenave & Co. | Christiana Bank of Kreditkassa | (Overseas)bank | |
| Compagnia Finanziaria Internazionale S.p.A. | Continental Illinois | County Bank | Credit Commercial de France | |
| Credit Industriel d'Alsace et de Lorraine | Credit Lyonnais | Credit du Nord | Creditanstalt-Bankverein | Credito Italiano |
| Dai-ichi Kangyo Bank Nederland N.V. | Daiwa Europe N.V. | Den Danske Bank | Richard Daus & Co. Bankiers | Den norske Creditbank |
| Deutsche Girozentrale | Dewan & Associates International S.C.S. | Dillon, Read Overseas Corporation | Effektenbank-Warburg | |
| Deutsche Kommunalbank | | | | |
| European Banking Company | Finacor | Finter Bank | Robert Fleming & Co. | Gefina International |
| Girozentrale und Bank der Österreichischen Sparkassen | Goldman Sachs International Corp. | Greenfields | Handelsbank N.W. (Overseas) | |
| Hill Samuel & Co. | IBJ International | Istituto Bancario San Paolo di Torino | Kidder, Peabody International | |
| Kjellerhønsen Handelsbank | Kleinwort, Benson | Kreditbank N.V. | Kreditbank S.A. Luxembourg-Genève | Auhn, Loeb & Co. International |
| Lazard Brothers & Co. | Lazard Frères et Cie | Lazard Frères & Co. | Lévesque, Beaudin Inc. | Lloyds Bank International |
| London Multinational Bank (Underwriters) | McLeod, Young, Weir & Company | B. Metzler & Co. | Samuel Montagu & Co. | |
| Morgan Stanley International | Nederlandsche Middenstandsbank N.V. | Nene Bank | The Nikko Securities Co. (Europe) Ltd. | |
| Nippon European Bank S.A. | Nomura Europe N.V. | Norddeutsche Landesbank Girozentrale | Nordic Bank | Sal. Oppenheim jr. & Cie. |
| Peterbroeck, Van Campenhou, Kempen S.A. | Pietet International | Pierson, Helling & Pierson N.V. | PKbanken | Richardson Securities of Canada |
| Rothschild Bank AG | Salomon Brothers International | A. Sarasin & Co. | Scandinavian Bank | J. Henry Schroder Wagg & Co. |
| Shandiana Bank Enskilda Banken | Stavenburg Oyens & van Eeghen N.V. | Smith Barney | Harris Ophim & Co. Incorporated | |
| Societa Finanziaria Assicurativa (Sofias) | Societa Bancaria Barclays (Overseas) | Societa Generale | Societa Generale di Banque S.A. | |
| Societa Privata di Gestion Financiera | Societa Sennais de Banque | Strauss, Turnbull & Co. | Sun Hung Kai International Ltd. | |
| Svenska Handelsbanken | Trade Development Bank Overseas Inc. | Tradition Securities | Union Bank of Finland Ltd. | |
| Union Bank of Switzerland (Securities) | Union de Banques Arabes et Francaises—U.B.A.F. | Vereiny and Westbank | | |
| J. Vontobel & Co. | Westdeutsche Landesbank Girozentrale | Williams, Giln & Co. | Wood Gundy | Yamaichi International (Europe) |

AMERICAN COMPANIES

American Motors warn on losses

BY STEWART FLEMING

NEW YORK, Oct. 27

FOR THE SECOND time in three months the shares of American Motors were today temporarily suspended on the New York Stock Exchange in order to give investors a chance to brace themselves for worse than expected trading results.

The news came in a speech by the chairman Mr. Roy Chapin who forecast that the company, fourth largest of the U.S. motor manufacturers, would post a heavy loss in its final quarter of September 30, and the resulting Motors had had to take "necessary corrective action" because of "stunning new car sales. The steps were designed we said, to protect liquidity and financial resources and assure restoration of profitability at lower car sales volume.

Some analysts have said that the company's fourth quarter loss would be at least \$10m.

American Motors has traditionally been stronger in the small and compact car end of the market but with the swing back to demand for larger cars in the U.S. over the past 18 months it has been facing severe problems.

This compared with a final quarter profit of \$16m. in 1975. For the whole of 1975 the company reported a loss of \$27.5m. For the first nine months of 1975 fiscal year the company earned a small profit of \$5m. It now seems likely that the company's fourth quarter loss will be in excess of \$20m.

Mr. Chapin said that after the heavy loss in its final quarter of September 30, and the resulting Motors had had to take "necessary corrective action" because of "stunning new car sales. The steps were designed we said, to protect liquidity and financial resources and assure restoration of profitability at lower car sales volume.

Second quarter gains at Gen. Foods

Second quarter net earnings per share at General Foods Corp. were 90 cents and net revenues totalled \$44.3m. (\$36.8m.) for the six months ending June 30. The six months earnings per share were \$1.98 (\$1.40) and net revenues \$97.7m. (\$89.7m.). Sales totalled \$2.25bn. (\$1.84bn.).

ASHLAND OIL INC.

| Fourth Quarter | 1975 | 1976 |
|----------------|---------|---------|
| Revenue | 1.2bn. | 1.06bn. |
| Profits | 44.3m. | 33.7m. |
| Per share | 1.69 | 1.4 |
| Year | | |
| Revenue | 4.34bn. | 3.88bn. |
| Profits | 136m. | 119.4m. |
| Per share | 5.03 | 4.4 |

GULF AND WESTERN INDS.

| Fourth Quarter | 1975 | 1976 |
|----------------|----------|----------|
| Revenue | 866.1m. | 827.5m. |
| Profits | 50.03m. | 38.55m. |
| Per share | 1.01 | 0.8 |
| Year | | |
| Revenue | 3.36bn. | 2.6bn. |
| Profits | 200.17m. | 140.08m. |
| Per share | 4.26 | 3.3 |

BETHLEHEM STEEL

| Third Quarter | 1975 | 1976 |
|---------------|---------|---------|
| Revenue | 1.31bn. | 1.18bn. |
| Profits | 45.5m. | 36.4m. |
| Per share | 1.04 | 0.8 |
| Nine Months | | |
| Revenue | 4.06bn. | 3.82bn. |
| Profits | 123.5m. | 106.4m. |
| Per share | 2.94 | 2.3 |

MOELL CORPN.

| Third Quarter | 1975 | 1976 |
|---------------|-------|-------|
| Profits | 252m. | 231m. |
| Per share | 2.39 | 2.2 |
| Nine Months | | |
| Profits | 678m. | 613m. |
| Per share | 6.53 | 6.0 |

EUROBONDS

Bullet issue of \$50m. from EIB

BY TONY HAWKINS

THE EUROPEAN Investment Bank is to raise \$50m. with a 5-year bullet Eurobond issue on a coupon of 7 1/2 per cent. Lead manager is Banque Arabe et Internationale d'Investissement (BAII) and the issue will be jointly placed with Middle East banks, along with some European participation.

Co-managers are Bank of Credit and Commerce International, Kuwait International Investment Co., National Bank of Abu Dhabi, National Commercial Bank, Qatar National Bank and Riyad Bank Ltd. The issue is to be priced on November 8.

Meanwhile, as a reflection of the extremely heavy demand for the Canadian National Railway Co. issue, the size of the offer has been raised from \$75m. to \$85m. The 10-year issue at 8 1/2 per cent. is to be priced next week (November 2).

The \$50m. Kuckums, Mekaniska Verkstads issue has been priced at par. The 7-year paper, guaranteed by the Kingdom of Sweden, has an average life of five years and carries an 8 per cent. coupon. The issue was said to have been very comfortably oversubscribed.

Final terms were announced yesterday for two convertible issues. The DM50m. 15-year Sekisui Prefab Homes convertible was priced at par on a coupon of 8 1/2 per cent. The conversion price is ¥1.159 giving a conversion premium of 7.3 per cent.

The Sanyo Electric Company \$30m. 6 1/2 per cent. 15-year convertible bonds were also priced at par. The conversion price is ¥238 which means a conversion premium of 9.13 per cent. The conversion exchange rate has been set at ¥233.55 to the dollar.

In first-time trading, the Sanyo convertibles disappointed. They opened around 98.99, sinking to 98.14 before closing rather firmer at 97.19.

In moderate turnover, dollar bonds were inclined better showing gains of around 1, but U.K. names were decidedly nervous. Quebec Hydro continued to trade at 99.99. Dealers noted a continuing strong demand for good quality paper amid speculation of a further reduction in interest rates. In particular, dealers said that the market was seeking first-class paper.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer | Time to Maturity | 1980 | 1981 | 1982 |
|------------------------------|-----|-------|------------------|------|------|------|
| Akron 9 1/2% 1980 | 101 | 101 | 1980 | 101 | 101 | 101 |
| Australia 9 1/2% 1981 | 99 | 99 | 1981 | 99 | 99 | 99 |
| Banque Paribas 9 1/2% 1980 | 101 | 101 | 1980 | 101 | 101 | 101 |
| Bank of Montreal 9 1/2% 1980 | 101 | 101 | 1980 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1980 | 101 | 101 | 1980 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1981 | 101 | 101 | 1981 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1982 | 101 | 101 | 1982 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1983 | 101 | 101 | 1983 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1984 | 101 | 101 | 1984 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1985 | 101 | 101 | 1985 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1986 | 101 | 101 | 1986 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1987 | 101 | 101 | 1987 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1988 | 101 | 101 | 1988 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1989 | 101 | 101 | 1989 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1990 | 101 | 101 | 1990 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1991 | 101 | 101 | 1991 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1992 | 101 | 101 | 1992 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1993 | 101 | 101 | 1993 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1994 | 101 | 101 | 1994 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1995 | 101 | 101 | 1995 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1996 | 101 | 101 | 1996 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1997 | 101 | 101 | 1997 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1998 | 101 | 101 | 1998 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1999 | 101 | 101 | 1999 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 2000 | 101 | 101 | 2000 | 101 | 101 | 101 |

| NOTES | 1980 | 1981 | 1982 |
|---------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| Bank of Tokyo 9 1/2% 1981 | 101 | 102 | 102 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| CONVERTIBLES | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| STOCKS | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| BONDS | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| COMMODITIES | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| REAL ESTATE | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| ARTS & CRAFTS | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| VEHICLES | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| PROPERTY | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| SHIPPING | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| TELECOMMUNICATIONS | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| ENERGY | 1980 | 1981 | 1982 |
|--------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy 9 1/2% 1981 | 101 | 102 | 102 |
| Japan 9 1/2% 1981 | 101 | 102 | 102 |
| Netherlands 9 1/2% 1981 | 101 | 102 | 102 |
| Norway 9 1/2% 1981 | 101 | 102 | 102 |
| Sweden 9 1/2% 1981 | 101 | 102 | 102 |
| Switzerland 9 1/2% 1981 | 101 | 102 | 102 |
| U.K. 9 1/2% 1981 | 101 | 102 | 102 |
| U.S. 9 1/2% 1981 | 101 | 102 | 102 |
| West Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Yugoslavia 9 1/2% 1981 | 101 | 102 | 102 |

| AGRICULTURE | 1980 | 1981 | 1982 |
|-------------------------|------|------|------|
| Australia 9 1/2% 1980 | 101 | 101 | 101 |
| British Guy 9 1/2% 1981 | 101 | 102 | 102 |
| Denmark 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.S. 9 1/2% 1981 | 101 | 102 | 102 |
| E.C.T. 9 1/2% 1981 | 101 | 102 | 102 |
| France 9 1/2% 1981 | 101 | 102 | 102 |
| Germany 9 1/2% 1981 | 101 | 102 | 102 |
| Italy | | | |

INTERNATIONAL FINANCIAL AND COMPANY NEWS

PARTY LISTING

Reservations over a new growth stock

BY HENRY SCOTT STOKES IN PARIS

MANY years French retail was dominated by a myriad of small shops and the odd department store. Since the late 60s and the flourishing of the "marchés", only an occasional newcomer has broken through from the ranks of the all men to compete with the possibly the best known of new arrivals is Darty, the dingy electrical goods chain, whose aggressive advertising of us a cheaper line and we'll give you your money back—has before 10 a.m. and we repeat your TV set to-day—has been beaten into the average Parisian suburban by now. On Tuesday, which is named after its selling family of Polish piglets, was introduced on Paris bourse and a new issue.

Strong backing

he listing—first reports show as been painless. On Tuesday third of 348,000 shares on at a minimum price of 100 francs, according to the H. Leven and the stock listed to hover at just over 300 to-day with a mild tendency. This was no surprise given Darty's backing: apart from the family the two big shareholders are Paribas, the leading financial group, and one of the French insurance companies, Union des Assurances de Paris (UAP). At will the price hold up? Darty's turnover in the last full year to February was Frs.553m. against Frs.407m. in the previous year. Consolidated net profits were Frs.29.5m. for the 76 year compared with 22.3m. in 1974-75. On its last year Darty comes out with earnings multiple of 18.3, a figure which drops to 12.5 on prospective earnings for this year. The company's record of expansion is almost jaw-dropping. Having last year over Odlovoz with six stores and created a subsidiary in Lyons area—giving Darty 25 stores in all—it now is to open another half dozen a year from 1977. This year Darty has hitherto operated in the Paris area, its successful formula, in a retail chain running the gamut of refrigerators in colour TVs,

has opened up the whole of France to it as well—even if it may be difficult for investors in more mature markets, like the U.S., to ignore the problems their own retailers have encountered when expanding from a tight geographical base. The formula? The president of the company, Bernard Darty, 46, has been interminably repeating himself for the benefit of journalists. In 1957 the Darty family—there are two other brothers in the business—bought control of a shop selling TV sets next to their own little clothing firm (a single shop) in the Porte de Montreuil part of Paris, a bustling, lower middle class area. The Dartsys wanted to sell clothing next door as well, but the municipality refused permission; willfully they found themselves selling TV's. By dint of turning the sets outward and facing the pavement, instead of looking inwards, as the previous owner had had them, they cleared his old stock in two days. "We have never looked back since then," claims M. Darty.

The Darty system has plainly had a great deal more to it than that. Basically, the brothers are good salesmen; in the mid-1960s, having established a flourishing, still tiny business, they adopted "American" methods following a trip to the U.S. by Bernard Darty. These methods, copied from a firm joining in the name "Kennedy and Cohen" amounted to orthodox, minute, stock control with the aid of a rapidly installed computer, the cutting of prices (if not always to one-chapter), where there was no-one cheaper, and the spreading out of Darty into a chain—a policy adopted in 1967. It does not sound so revolutionary; but in France, where retail methods have lagged behind the U.K., it was a little special. "American" ways give the Dartsys a small competitive edge; and the foundation was laid for their big expansion of the early 1970s. Turnover went up six times from under Frs. 100m. at the beginning of this decade.

Meanwhile the business has been generating enough cash to cover investments. With a net margin of 4.5 per cent. before tax on sales, long term debts have been "held down" to the point where they account for 6.5 per cent. of turnover. With investments running at Frs.35.9m. last year, self financing came to Frs.40.3m. with the benefit of

New fund launched by Nordinvest Hamburg

By Christopher Hill
NORDINVEST Hamburg has launched a new fund, Japan-Pazifik-Fonds, with the emphasis on Japanese Securities although the fund can also invest in Australia and the U.S. The fund is primarily a growth fund with a small annual dividend, but has powers to go 50 per cent. liquid and invest in bonds. Nordinvest is a wholly owned subsidiary of Veritas and Westbank A.G., Hamburg—which is the depositing bank and trustee for the new fund—and this is believed to be the first time that a German bank has launched a Japanese orientated fund without the support of a Japanese securities house. The investment adviser to the fund is GT Management (Asia) which is a subsidiary of G.T. Management of London. GT operates a Hong Kong office and has specialised in Far East funds, including the Berry Pacific Fund. Members of the investment advisory Board include Thomas Schoch, a partner in Casanova and Co., ownership of the fund is in bearer certificates and it is denominated in Deutsche marks. It is thought that some German insurance companies will invest plus some international investors including Swiss banks. It is also possible for U.K. institutions to invest in Japan via the dollar premium and German subsidiaries of U.K. companies can invest without paying the premium. In this context it is possible that British insurance companies with German subsidiaries might find the fund attractive.

Rentvalor 75 with good first year

By John Wicks
ZURICH, Oct. 27
THE INTERNATIONAL bond investment fund Rentvalor 75, which is administered by the Banca della Gottardo subsidiary Gestvalor, of Lugano, has announced a successful first year of business. By the end of the financial period on September 30, the fund had put 383,587 certificates into circulation and built up a total of Sw.Fr.40.49m. From net profits of Sw.Fr.2.57m., Rentvalor 75 is to pay a dividend of Sw.Fr.6.65 per certificate. Together with the Rentvalor fund of the same company, total portfolio value exceeds Sw.Fr.100m.

Hutchison, Wheelock advisers meet

HONG KONG, Oct. 27.
The spokesman said it was too early to determine whether Hutchison might want to sell of certain interests of the Wheelock group in the event of a merger going through. He quoted Mr. Wylie as saying there was "considerable synergy" between the two companies and their various similar interests. Asked whether the reconstruction of Hutchison itself had proceeded far enough to enable it to consider an operation on the scale of a merger with Wheelock, he said "we can say with confidence that we can absorb Wheelock without indigestion." Hutchison was now operating on a sound basis and going from strength to strength, he said. Reuter

FINANCIAL advisers to Hutchison International and Wheelock Marden are holding their first formal meeting to-day to discuss possible terms for a merger between the two companies, a Hutchison spokesman told Reuters.

The spokesman was answering written questions put to Hutchison chief executive Mr. Bill Wylie.

Asked whether a possible bid for Wheelock could involve a further large share issue by Hutchison or necessitate raising finance for a cash bid, the spokesman said he could not comment on the possible mechanics of a bid.

However, the spokesman said, "work we have done to date satisfies us that a bid is feasible and in fundamental terms can be demonstrated to be fully supportable and in Hutchison's overall interests."

He quoted Mr. Wylie as saying "our proposal is a serious one and I am confident that if we decide to bid for Wheelock Marden we will be doing so with the knowledge that the merger agreement reached between two major shareholders of Wheelock the company's chairman, Mr. John Marden, and another director, Mr. John Cheung—on the sale of their shares to Hong Kong Land, and that they were not likely to dispose of the holdings without prior consultation with Wheelock's financial advisers.

It would seek discussions with the company on merger terms was precipitated by Hong Kong Land's announcement it was holding talks with Wheelock.

However, there has been no discussion of the situation between Hutchison and Hong Kong Land, he said.

He said Hutchison did not believe there had been any private agreement reached between two major shareholders of Wheelock the company's chairman, Mr. John Marden, and another director, Mr. John Cheung—on the sale of their shares to Hong Kong Land, and that they were not likely to dispose of the holdings without prior consultation with Wheelock's financial advisers.

Haw Par rationalise Mandarin Komatsu Forklift in \$10m. placing

BY OUR OWN CORRESPONDENT
SINGAPORE, Oct. 27.
HAW PAR Brothers International has decided to cease operations at its Hong Kong-based wholly owned subsidiary Mandarin Textiles.

Mandarin Textiles, manufacturer and retailer of high fashion garments, was until ceasing operations, Haw Par's biggest textile subsidiary. It held the franchise for the collection of the leading French couturier, Pierre Balmain, for a number of countries including Britain, the U.S. and Asia, and was at one stage a large contributor to Haw Par's earnings.

However, in 1975 the company began to run into the red as a result of the slump in the textile industry. Market sources believe that Haw Par's decision to stop Mandarin's operations is a loss-elimination exercise and as such part of its reorganisation plans to nurse the group back to health.

Only earlier this week, Haw Par announced the disposal of a wholly owned property development company in Hong Kong.

According to market sources, most if not all of Mandarin's staff are believed to have already been dismissed. The company, however, still owns an industrial building in Kowloon, Hong Kong, parent, Slater Walker Securities, Hong Kong. The company was acquired by Slater Walker Securities, Hong Kong, in 1972.

Mandarin Textiles became a wholly owned subsidiary in 1974 when Haw Par acquired Mandarin's building in Kowloon, Hong Kong, parent, Slater Walker Securities, Hong Kong. The company was acquired by Slater Walker Securities, Hong Kong, in 1972.

Terms of the issue are to be fixed on November 5 and the price is expected to show a discount from the closing price of the Tokyo Stock Exchange. The new shares will be represented by continental depositary receipts denominated in 1,000 shares for which a Luxembourg Stock Exchange listing is being sought.

As a result of this equity issue, Komatsu Limited's share holding in Komatsu Forklift will fall from 50.4 per cent. to less than 50 per cent.

Komatsu Forklift is one of Japan's leading manufacturers of forklift trucks and shovellers. Its share in the Japanese domestic market, in terms of unit shipments, is believed to be between 25 and 30 per cent. for petrol and diesel powered forklift trucks.

S. African profits hold up well

BY RICHARD ROLFE
JOHANNESBURG, Oct. 27.
RESULTS gradually filtering in from South African companies performance, sugar output is up R4.9m. and contracting for with August and September from 143,000 tons last season to R15.9m. (R12.9m.). Total taxed year-ends indicate that profits are estimated 170,000, but even continue to hold up well, so profits before tax from sugar although this latest accounting will be down R0.2m. at R0.38m. in the half year.

But investment income from the group's portfolio will be up on only 70 per cent. of cost increases, and by the deepening economic recession.

This could augur well for interim dividend has been raised some of the groups such as Barlows and SA Breweries, whose shares are due before long, but about 29c, in which case the message has so far been lost on the market, where the Rand has drifted and, at 177.4 is within a whisker of its August 29 low point of 177.1.

Despite lower foreign sugar prices, Crookes Brothers, one of the smaller producers, reports only a small drop in profits for the six months to September, with the net level down from cross-rental accounting for

Aiding this R3.7m. of turnover (up from R3.7m. in 1975) and contracting for with August and September from 143,000 tons last season to R15.9m. (R12.9m.). Total taxed year-ends indicate that profits are estimated 170,000, but even continue to hold up well, so profits before tax from sugar although this latest accounting will be down R0.2m. at R0.38m. in the half year.

But investment income from the group's portfolio will be up on only 70 per cent. of cost increases, and by the deepening economic recession.

This could augur well for interim dividend has been raised some of the groups such as Barlows and SA Breweries, whose shares are due before long, but about 29c, in which case the message has so far been lost on the market, where the Rand has drifted and, at 177.4 is within a whisker of its August 29 low point of 177.1.

Despite lower foreign sugar prices, Crookes Brothers, one of the smaller producers, reports only a small drop in profits for the six months to September, with the net level down from cross-rental accounting for

| YONTOBEL EUROBOND INDICES | | | | | |
|---------------------------|----------|----------|--------------------|----------|----------|
| 14.576 = 100% | | | | | |
| PRICE INDEX | 19.10.76 | 26.10.76 | AVERAGE YIELD | 19.10.76 | 26.10.76 |
| DM Bonds | 100.99 | 101.43 | DM Bonds | 7.878 | 7.809 |
| HFL Bonds & Notes | 101.11 | 101.21 | HFL Bonds & Notes | 10.001 | 9.487 |
| U.S. \$ Str. Bonds | 101.40 | 101.45 | U.S. \$ Str. Bonds | 8.606 | 8.600 |

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

U.S. \$125,000,000
SEVEN YEAR LOAN

COMMONWEALTH OF PUERTO RICO

MANAGED BY
CHASE MANHATTAN LIMITED

BANK OF SCOTLAND
DG BANK
DEUTSCHE GENOSSENSCHAFTSBANK
EUROPEAN BANKING COMPANY LIMITED/BANQUE EUROPEENNE DE CREDIT, S.A. (BEC)

CO-MANAGED BY
BANCO CREDITO Y AHORRO PONCENO
BANCO POPULAR DE PUERTO RICO
BANQUE EUROPEENNE DE TOKYO
FIRST CHICAGO LIMITED
FIRST NATIONAL BOSTON LIMITED
HYPOBANK INTERNATIONAL S.A.
PROVINCIAL BANK OF CANADA

BANCO DE PONCE
BANK OF MONTREAL
CONTINENTAL BANK—CONTINENTAL ILLINOIS
NATIONAL BANK AND TRUST COMPANY OF CHICAGO
GRINDLAY BRANDTS LIMITED
NORDDEUTSCHE LANDESBANK INTERNATIONAL S.A.
THE ROYAL BANK OF CANADA

PROVIDED BY
THE CHASE MANHATTAN BANK, N.A.
BANK OF THE SOUTH-WEST N.A. HOUSTON
BANK OF AMERICA INTERNATIONAL
CANADIAN AMERICAN BANK S.A.
FIRST PENNSYLVANIA BANK S.A.
THE MERCANTILE BANK OF CANADA
SWISS ITALIAN BANKING CORPORATION LIMITED
BANCO DE SAN JUAN
EUROPEAN BANKING COMPANY LIMITED
MIDLAND BANK LIMITED
SOCIETE LYONNAISE DE DEPOSITS ET DE CREDIT INDUSTRIEL

BAYERISCHE LANDESBANK INTERNATIONAL S.A.
BANCA DEL GOTTARDO
BANK OF SCOTLAND
BANCO DE PONCE
BANK OF MONTREAL
CONTINENTAL BANK—CONTINENTAL ILLINOIS
NATIONAL BANK AND TRUST COMPANY OF CHICAGO
GRINDLAY'S BANK LIMITED
NORDDEUTSCHE LANDESBANK INTERNATIONAL S.A.
BANK OF MONTREAL INTERNATIONAL LIMITED
BANQUE ARABE INTERNATIONALE D'INVESTISSEMENT (BAII)
FIRST NATIONAL BANK OF PUERTO RICO
INTERNATIONAL COMMERCIAL BANK LIMITED
NEDELANDESE CREDITBANK N.V.
WESTERN AMERICAN BANK, ELIZABETH LIMITED
CAISSE NATIONALE DE CREDIT AGRICOLE
HIBERNIAN NATIONAL BANK IN NEW ORLEANS
NIPPON EUROPEAN BANK S.A.
SOFIS LIMITED.

THE CHASE MANHATTAN BANK, N.A.

BANCO HIPOTECARIO NACIONAL

U.S. \$35,000,000
SEVEN YEAR TERM LOAN

REPUBLIC OF PANAMA

MANAGED BY
CHASE MANHATTAN LIMITED
BANCO DE BILBAO
THE BANK OF TOKYO (PANAMA) S.A.
LIBRA BANK LIMITED
NATIONAL BANK OF NORTH AMERICA
ORION BANK LIMITED
WESTERN AMERICAN BANK (EUROPE) LIMITED

PROVIDED BY
THE CHASE MANHATTAN BANK, N.A.
THE BANK OF TOKYO (PANAMA) S.A.
WESTERN AMERICAN BANK (EUROPE) LIMITED
GRINDLAY'S BANK LIMITED
THE ROYAL BANK OF CANADA INTERNATIONAL LIMITED
ORION BANK LIMITED
B.A.I.L. (MIDDLE EAST) INC.

BANCO DE BILBAO
NATIONAL BANK OF NORTH AMERICA
CITIBANK N.A.
JAPAN INTERNATIONAL BANK LIMITED
TOKAI BANK NEDERLAND N.V.
LIBRA BANK LIMITED
BANQUE CANADIENNE NATIONALE

AGENT:

THE CHASE MANHATTAN BANK, N.A.

WALL STREET OVERSEAS MARKETS FOREIGN EXCHANGES

Quiet but firm in early trading £ at new low

BY OUR WALL STREET CORRESPONDENT

FIRM TREND prevailed on Wall Street today, although prices were below the best with turnover relatively light, indicating that many investors have taken the sidelines to await the outcome of the U.S. Presidential election next Tuesday.

At 1 p.m. the Dow Jones Industrial Average was up another 75 at 945.89, after opening 3.41 higher at 942.48. The NYSE common index put on 2 cents to 53.89, while rises led falls by six-to-four margin. Trading volume decreased 300,000 shares to 1.84 billion, compared with 1 p.m. yesterday.

Some investors appeared to be using selected issues in anticipation of an improved market following the November 2 election after President Ford and Jimmy Carter.

However, the uncertainty of the outcome of the election and the failure of the candidates to spell out economic policies for the next Administration inhibited many investors.

Selected issues responded to Corporate news.

Universal Leaf, a takeover candidate, rose \$1 to \$29.45 after a delayed opening. Coleco, unchanged at \$13, said it plans to tender for Universal Leaf shares at \$22.50 each.

General Foods dipped \$3 to \$33.10, reported higher second quarter earnings, and predicted lower profits for the third quarter. McDonald's slipped \$1 to \$31, despite improved earnings.

Royal Industries, among the volume leaders, eased \$1 to \$30.10, after a delayed opening.

Bethlehem Steel was unchanged at \$37.10, while Gulf and Western Industries rose \$1 to \$13.50, after reported higher earnings.

THE AMERICAN SE Market Value Index rose 0.05 to 98.23, while the trading volume decreased 20,000 shares to 940,000 shares, compared with 1 p.m. yesterday.

US DAILY ACTIVE STOCKS

| Stock | Change |
|------------|----------|
| Ind. Ind. | +0.05 |
| Ind. Vol. | -300,000 |
| Ind. Price | +0.05 |
| Ind. Div. | +0.05 |
| Ind. Yield | +0.05 |

OTHER MARKETS

Canada up again

Canadian Stock Markets gained further ground in light trading yesterday morning.

The Industrial Share Index rose 0.15 to 119.5 ahead of its second quarter figures, due to day. Fokker, Hal and Insurances and Shippings, quiet, while Industrials were steadier.

MILAN—Prices rose about 1 per cent following support in intervention and some speculative demand in normal trading.

Bonds were quietly mixed.

VIENNA—Generally easier, led by Breweries, Leading Industrials drifted lower.

TOKYO—Higher in active trading, with selective buying spread over most sections. Volume 210m.

Blue Chips led the rise. Matsushita Communications added 150 at 1400 and Sony Y20 at 2300.

Food, Pharmaceuticals, Glasses, Machinery, Heavy Electric Machinery, Cameras and Printing all firm.

HONG KONG—Mixed in slow trading.

Hong Kong Bank were down 10 cents to \$117.50, Hutchison 2.5 cents to 3.175, Swire Pacific 5 cents to 5.55, China Light 30 cents to 2.60 and Hong Kong and Kowloon Wharf 10 cents to 15.10.

JOHANNESBURG—Gold shares moved slightly off the top of overvalued indications and ahead of indications of export financing. Minings were ahead of other sectors.

Coppers were neglected, with prices generally easier, but other metals were mixed.

AUSTRALIA—Modest recovery on Corporate news and other developments, including news of the Curnutt Pacific uranium assay and strong indications of export approval for Longbeach's ferruginous manganese ore.

Fears of another crude oil price rise aided Energy stocks, with the afternoon session steady.

Woodside-Barnack 4 cents to \$1.10.

Among Uranium, Queensland Mines rose 13 cents to \$4.18, De Beers 10 cents to 10.10, and Anglo American 10 cents to 10.10.

Western Mining put on 10 cents to \$4.18 and BHP 16 cents to \$4.10.

| | | | | | | | | |
|------------------|---------|--|---------|--|---------|--|--------------------|--|
| | Oct. 20 | | Oct. 19 | | Oct. 18 | | Year ago (approx.) | |
| ad. div. yield % | 4.09 | | 4.10 | | 4.05 | | 4.56 | |

| | | | | | | | | | | |
|-----------------|---------|---------|---------|---------|---------|---------|--------|--------|-------------------|--------|
| HARDS AND POORS | | | | | | | | | | |
| | Oct. 28 | Oct. 25 | Oct. 22 | Oct. 21 | Oct. 20 | Oct. 19 | 1916 | | Since compilation | |
| | | | | | | | High | Low | High | Low |
| Price | 113.07 | 111.87 | 111.77 | 112.55 | 115.00 | 118.45 | 126.08 | 101.64 | 134.64 | 2.58 |
| Rate | 101.96 | 100.97 | 99.96 | 100.77 | 101.74 | 101.45 | 107.55 | 90.90 | 128.24 | 4.49 |
| | | | | | | | 27.14 | 2.11 | 11.475 | 1.6632 |

| | | | | | | | | |
|----------------|---------|--|---------|--|--------|--|--------------------|--|
| | Oct. 20 | | Oct. 15 | | Oct. 1 | | Year ago (approx.) | |
| yield % | 3.61 | | 3.59 | | 3.55 | | 3.74 | |
| Rate | 11.50 | | 11.56 | | 11.66 | | 11.97 | |
| Ad. Bond yield | 5.34 | | 5.27 | | 5.23 | | 6.00 | |

A challenge to national courts

By A. H. HERMANN, Legal Correspondent

THE EUROPEAN court this week entered an entirely new chapter by handing down its first judgments interpreting the European Convention on Jurisdiction and the Enforcement of Judgments 1968, or European Judgments Convention for short.

The convention empowers the European Court to regulate the competence of national courts in the entire range of civil and commercial litigation between parties in different countries of the Community. This is in addition to the powers given by the Treaty of Rome, which established the Community, to adjudicate in matters regulated by that treaty. The judges in Luxembourg have the last word about the meaning of the European Judgments Convention.

Now people realise that the European Court has placed a bomb under the British legal system.

The convention has operated the six original member states of the EEC since 1973. U.K., Ireland and Denmark, newer members of the Community, have undertaken to join the convention which is based on EEC Treaty, Article 220, merely for the simplification of formalities necessary for mutual enforcement of judgments, but from this it is clear that the convention is nothing less than a single jurisdictional act of the Community. It will have important consequences for insurers, banks and others, exposing them to litigation in foreign courts in situations when in the past they rely on the jurisdiction of their own court.

Working party set up by the 12 member states has been preparing a protocol which the hopes to append to the convention to cushion some of its anomalies. Negotiations with the other EEC partners said to be progressing satisfactorily, and the report of the working party is expected next week. Ratification of the convention can follow only after the necessary changes in U.K. law have been made by Parliament, and this is likely before 1980.

While Britain is striving for ratification of the convention, the European Court in Luxembourg has already delivered its judgments interpreting it.

Four more, one concerning pollution of the river Rhine, referred from the Netherlands, are still pending before the court.

The French Government thought that British observations on these cases should not be taken into account because Britain is not yet party to the convention, but the European Court decided they should be heard because the member states are bound by the Treaty of Accession to become parties to the convention.

The European Court's view, expressed in its *Tessili/Dunlop* judgment—left open by the convention should be decided in the national courts first approached in accordance with their own national law—has been received with satisfaction in the U.K.

Interpretation

But the general pronouncement on the interpretation of the convention made by the court on this occasion is somewhat less satisfactory. Dealing with the difficulty that the legal terms used by the convention have different meanings in the different member states, the court made one of those rulings which are all things to all people. It said that the terms can be interpreted as having an autonomous meaning common to all member states and, at the same time, also a meaning in the national law to be applied by the court which decides about its competence to deal with the case. The European Court held that neither way of interpretation should prevail to the extent of excluding the other.

Proper rules for the interpretation of the convention will be all the more necessary as it departs from traditional concepts of U.K. law. It applies to any commercial and civil judgments, not only those awarding a sum of money. The only exclusions from the impact of the convention are arbitration, social security disputes, bankruptcy and liquidation of corporations, status and legal capacity of naturalised persons, and certain matrimonial, property and probate matters. In an important deviation from the basic principle of English procedure, judges will have to decline to deal with a case on their own motion (without waiting for parties to object) whenever they see that it is assigned

to another court by the convention.

The convention will abolish as "excessive" certain traditional grounds for jurisdiction. For example, it will end the legal device by which a suit against a foreign defendant can be brought in an English court if the summons can be served on him in England—be it only in the transit lounge of Heathrow Airport. Similarly, the convention will eliminate competence of Scottish courts based on the location of the defendant's land or other real estate. Nor does the convention provide for the marine jurisdiction of the Admiralty Division of the High Court, but this last item will probably be remedied by the protocol to be appended on ratification by the U.K.

British insurers have found these provisions of the convention rather ominous which provide greater protection to the "weaker party" in an insurance contract. Deviating from its general rule that the defendant should be sued in his own court, the convention allows disputes about insurance claims to be brought in the courts of the place where personal injury or damage to immovable property occurred, or in the country where the insured has his residence. Contracting out of these rules is very restricted, but it seems that British negotiators have succeeded so far in obtaining a waiver of these rules for marine insurance and combined transport insurance though not for large industrial risks where the "weaker party" clause is also out of place.

In contrast with insurance companies U.K. banks have so far failed to submit any comments. Yet they will have to adapt their routines to the possibility that they could be sued in the place of fulfilment of the obligation or in the place where they have a branch or agency. Such a possibility follows from paragraphs one and five of article five of the convention, interpreted by the European Court this month. (Cases 12/76 and 14/76.) All sorts of obligations which are to be fulfilled abroad, notably obligations from letters of credit, could result in action being taken against U.K. banks in courts of other EEC member states.

There exists, of course, the possibility of agreement that all such disputes should come before U.K. courts. According to Article 17, parties, of which

at least one is domiciled in the territory of a contracting state, can agree in writing that a certain court or courts of a contracting state should be competent to settle disputes arising out of a specific legal relationship. This will call for the inclusion of a "choice of forum" clause in contracts—and possibly for asking every new customer to sign an agreement that all disputes between him and the bank can be brought only in U.K. courts. Such choice of forum is however excluded in insurance and hire-purchase matters.

In the case of *Tessili v. Dunlop*, the court was asked to interpret the convention when it mentioned "the place where the contractual obligation has been or is to be fulfilled." Is it the place where goods are to be delivered, and who is to say according to which law the place of delivery or place of fulfilment of an obligation is to be determined?

The European Court answered that this should be determined by the court before which the plaintiff has instituted proceedings according to its own national law. In other words, if a British bank undertakes to deliver documents against payment to an importer in Marseilles, and there is a dispute concerning such letters of credit between them, the Marseilles importer can ask a French court to determine whether the place of fulfilment should be in Marseilles or London. If the court decides in favour of Marseilles, the dispute between the importer and the bank can be tried by a French court.

In its other judgment concerning *De Bloos v. Bouyer*, the European Court dealt with the question whether disputes between a branch or agency and its parent organisation can be brought to court in the country of the agency. The dispute was between the French supplier and his sole agent in Belgium. The court said that Article 5/3 applies only to such branches, agencies or other establishments which are completely controlled by the parent organisation and not merely economically dependent on them. It does not apply to the relationship between a supplier and his sole agent in another EEC country.

The European Court still ponders the Rhine Water case brought by Dutch market gardeners in their courts against a German company which releases waste into the river Rhine upstream and so pollutes the water

used by them on its lower reaches. According to Article 5/3 of the convention, actions can be brought in the court of the place where the tortious act occurred. But, where did it occur, asks the Dutch court, in Germany where the waste was released into the river, or in the Netherlands where the damage was done when the polluted water was used for watering gardens? If the European Court decides that the tortious act occurred in the Netherlands, all suppliers of defective products which caused damage in another EEC country will be exposed to law suits in that country.

Not only are the special provisions of Article 5 of the convention open to query but even the fundamental provision that the convention applies in civil and commercial matters. What is considered "civil or commercial" in one country need not be seen so in another, as is evident from *LTU v. Eurocontrol*, a dispute between LTU, a German air transport company, and Eurocontrol, an international air safety organisation with an office in Brussels.

In this case, not the jurisdiction rules of the convention are being questioned, but its provisions for the enforcement of judgments in another member state. The dispute concerns fees charged by Eurocontrol to LTU for air safety services rendered. Eurocontrol sued in Belgian courts and a German court was then asked to enforce judgment against LTU.

The German court questioned the applicability of the convention on the grounds that according to German law, the dispute concerned administrative and not civil and commercial matters. The European Court ruled that the terms "civil and commercial" have an autonomous meaning derived from the scope of the convention and the general principles of law recognised by member states, and that its interpretation should therefore not depend on national law. The court concluded that disputes between private persons or companies and a national or international public authority concerning money due for the use of installations or services—particularly when such use is compulsory and exclusive—are excluded from the scope of the convention.

CASE No 12/76 *Tessili v. Dunlop AG*
CASE No 14/76 *De Bloos v. Bouyer*
CASE No 25/76 *LTU v. Eurocontrol*

Sizeability



When you get Godfrey Davis rentability you get more than just a car. For a start you get service, big service, no matter where you are, we don't restrict ourselves to one country. It wouldn't be fair on the rest of the world. That's why we've got companies in Germany, Holland and Spain. That's why there are over 1,000 Godfrey Davis rental locations in 41 countries. We're big. And proud of it.

Take advantage of sizeability. Book Godfrey Davis next time you go abroad and get the same high standards of service you've come to expect from us in Britain.

Godfrey Davis
International Car Rental

We've got rentability

MEMBER OF THE BRITISH VEHICLE RENTAL & LEASING ASSOCIATION

This announcement appears as a matter of record only.

October 1976

ENPETROL

EMPRESA NACIONAL DEL PETROLEO, S.A.
Madrid, Spain

DM 60,000,000.— Euro-Loan

Arranged by
COMMERZBANK
Aktiengesellschaft

AMSTERDAM-ROTTERDAM
BANK N.V.

CREDIT LYONNAIS LLOYDS BANK INTERNATIONAL
Limited

Provided by

AMSTERDAM-ROTTERDAM BANK N.V.

COMMERZBANK INTERNATIONAL
Société Anonyme

CREDIT LYONNAIS

LLOYDS BANK INTERNATIONAL
Limited

INTERNATIONAL COMMERCIAL BANK
Limited

SAL. OPPENHEIM JR. & CIE.

WESTERN AMERICAN BANK (EUROPE) LTD.
FORFAITIERUNG UND FINANZ AG

BANCO DE BILBAO
GROZENTRALE UND BANK
DER OSTERREICHISCHEN SPARKASSEN
Aktiengesellschaft

NIPPON EUROPEAN BANK S.A.

WORLD BANKING CORPORATION S.A.

Agent

COMMERZBANK INTERNATIONAL
Société Anonyme

This advertisement appears as a matter of record only.

October 1976



ČESKOSLOVENSKÁ OBCHODNÍ BANKA A. S.

US-\$ 200,000,000 Euro-Loan

Arranged by

COMMERZBANK
Aktiengesellschaft

COMPAGNIE FINANCIERE DE LA
DEUTSCHE BANK AG

BANK FÜR GEMEINWIRTSCHAFT
Aktiengesellschaft

BAYERISCHE HYPOTHEKEN- UND
WECHSEL-BANK

DG BANK
DEUTSCHE GENOSSENSCHAFTSBANK

DEUTSCHE GROZENTRALE
INTERNATIONAL S.A.

Provided by

COMMERZBANK INTERNATIONAL
Société Anonyme

COMPAGNIE FINANCIERE DE LA
DEUTSCHE BANK AG

BFG LUXEMBURG S.A.

HYPOTHEK INTERNATIONAL S.A.

BHF-BANK — DG International

DEUTSCHE GROZENTRALE INTERNATIONAL S.A.

BANK EUROPEISCHER GENOSSENSCHAFTSBANKEN
BANQUE CONTINENTALE DU LUXEMBOURG S.A.

BAYERISCHE VEREINSBANK INTERNATIONAL S.A.

HAMBURGISCHE LANDESBANK
— GROZENTRALE —

FORFAITIERUNG UND FINANZ AG
LANDESBANK SAAR GROZENTRALE

TRINKAUS & BURKHARDT (INTERNATIONAL) LTD.

WESTFALENBANK
Aktiengesellschaft

Agent

COMMERZBANK INTERNATIONAL
Société Anonyme



Recently introduced H500 handles beverages in German brewery.

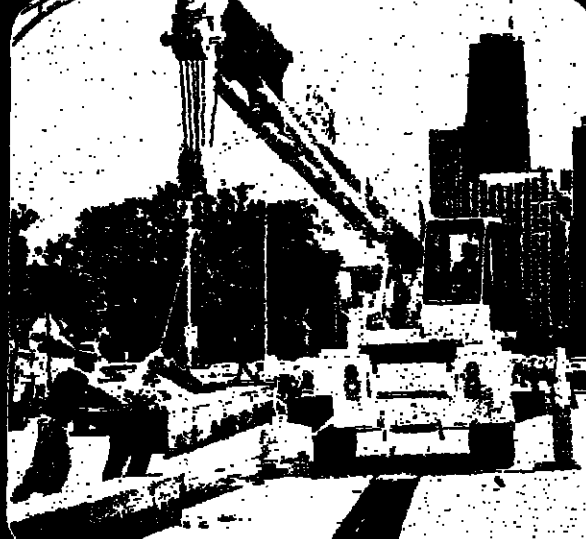
Vehicle builders worldwide and their customers rely on Clark powershift transmissions.

Clark gets it done.

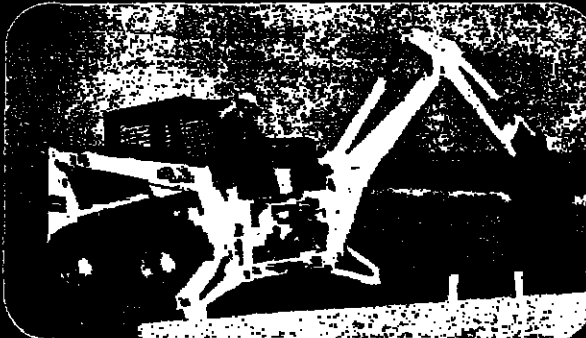
Construction Machinery
D-8200 Wiesbaden-Birkich
Friedrich-Bergius-Strasse 5
Material Handling
D-435 Mülheim-Ruhr, Weselerstrasse 43-50
Axle and Transmission
D-5900 Bielefeld, Bielefelder Strasse 43
Clark Bobcat
D-47809 Emmerich, Bielefelder Strasse 43, B-1512 Dörp

CLARK

Clark Bobcat and Midget are trademarks of Clark Equipment Company.



A Clark hydraulic crane works on Chicago's Lake Shore Drive.



Melroe Bobcat backhoe helps lay a new underground line.



Clark tractor shovel takes on the toughest jobs.

New managing director for Vickers Oceanics

Mr. John Birmingham and Mr. [REDACTED] become the chief executive of the currently financial controller, has

The companies are members of the Hunting Group.

J. Kuipers leads EMI Pacific

Mr. P. J. C. Smallwood and Mr. A. R. L. Pearson are to enter the



DREW, stockbrokers, on Decem-
ber 1.

D. Adam to be Barclays Bank Trust deputy chairman

BROWN SHIPLEY INSURANCE wholesaling; and **Mr. C. W. Freed- AGENCIES.**



**Johannesburg
Consolidated
Investment
Company, Limited**

Chairman's Review by Sir Albert Robinson

The Annual General Meeting of the Company will be held in Johannesburg on 9th November, 1976 at 12 noon

Political

The growth of nationalism and the continued establishment of newly independent countries in Southern Africa, as in other parts of the world, have

Exploration

Some seven years ago Johnnies decided to increase significantly the tempo of its activities in the fields of prospecting and mineral research. As a result of these efforts we have two new mines which have come into production, a ferro-chrome facility expected to start production within a few months and some interesting projects in the pilot plant stage. These have been substantial achievements and augur well for the future of the Company. The financing of this work at a time of currency fluctuations and a severe economic depression in the western world has however, placed a considerable strain on our resources. We have spent some

created difficulties for the mining finance houses which seek to operate across international boundaries. Governments, particularly of the lesser developed countries, fear that foreign companies will exploit mineral resources for their own profit without employing, training and developing local skills and contributing to the overall betterment of the community. Furthermore, it often happens that traditional transport routes are affected by changing political relationships. This is particularly serious in the case of landlocked countries. Even where governments have achieved internal economic stability the conditions set for foreign companies to prospect and to operate mines are often so severe to justify the expenditures contemplated. Thus both suffer: the country's economic development is restricted

and the mining house's skills are not put to full use in the development of the human and mineral resources of the countries concerned.

The mining finance houses will have to adapt to the new nationalisms in Southern Africa. The trend must be towards managing and developing new projects in partnership with the new governments or the local public and towards the mobilisation of new sources of capital funds for such projects with adequate guarantees whenever possible. Alternatively, development finance should be raised increasingly from international agencies, as these organisations provide in themselves a guarantee against policies that might be contemplated by unreasonable governments.

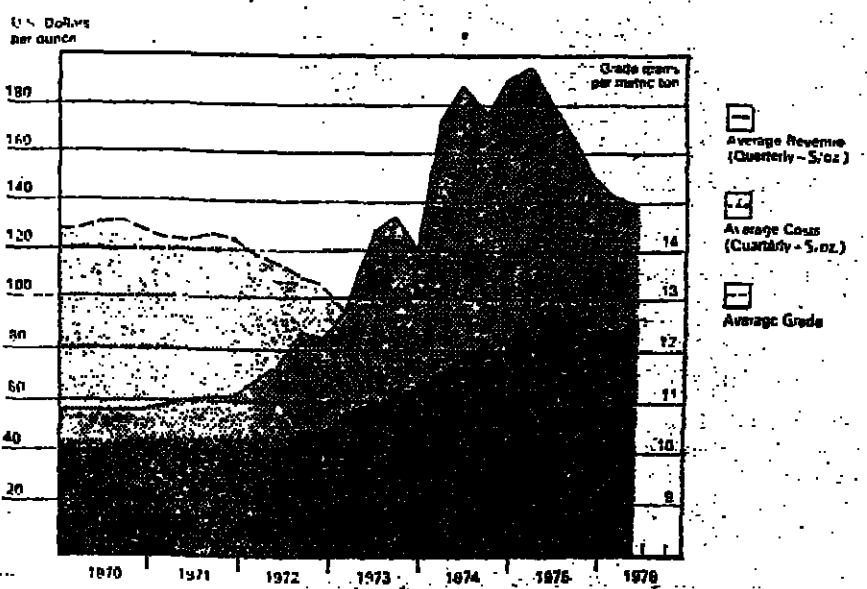
We shall continue to train and to improve the opportunities for our employees wherever our business may be situated. At the same time we will be in the forefront of the search for new sources of capital as and when required. Above all, we shall endeavour to foster good relations with the various governments concerned so that we may contribute to the further development of Southern Africa, in which area we have played a significant role for the past eight or seven years.

The mining industry

Government will be constructive and bold, thereby mobilising internal as well as international support for a new and stable order in Southern Africa.

Gold Mining Industry

Gold Mining Industry
(Revenue, Costs and Grade)



Directorate and staff

At the financial year end, Mr. P. R. Wilton retired as an Executive Director and a member of the Chairman's Advisory Committee on grounds of ill health. He remains a member of the Board. I would like to express my gratitude and admiration for his forty-one years of loyal Group Service and I trust that in his retirement, he will be fully restored to good health. Two of our executive directors, Mr. F. J. L. Wells and Mr. P. A. von Walligh, completed forty years service with the Company during the past year. I wish to thank them for their distinguished roles in the Company's affairs and I hope we shall have the benefit of their services for many years to come. It gives me great pleasure once again to thank all staff and employees for their outstanding efforts during a difficult year and to express my appreciation for their continued devotion and loyalty.

Johannesburg
October 19th, 1976

to be Barclay
uty chairman

FINANCIAL TIMES SURVEY

Thursday October 28 1976

London Metal Exchange

Improved trading activity on the London Metal Exchange has been clouded by the reversal in the world economic recovery. Pressure to restrain speculation has also increased, and the Exchange is facing a Centennial Year which could bring significant changes.

Market aces p to hange

John Edwards
Commodities Editor

LONDON Metal Exchange reaches its Centennial Year somewhat troubled mood. Disappointment at the lack to the world's industrial cry has inevitably cast a gloom over the copper at in particular. And the Exchange has at times more of a currency than its role as in international media.

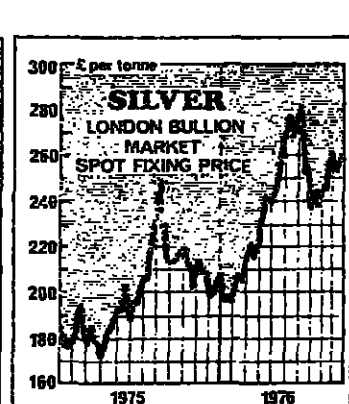
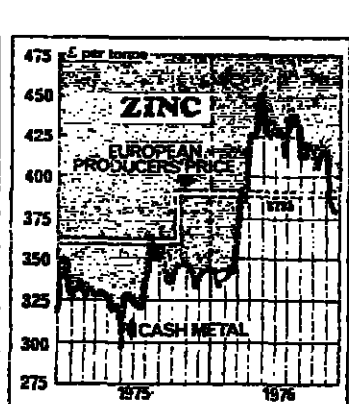
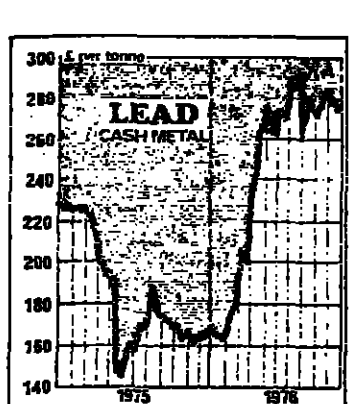
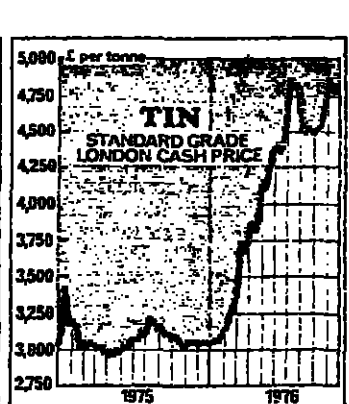
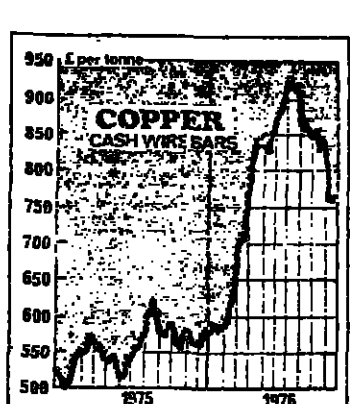
Centennial also comes at a time when profound changes come about in the structure of the Exchange. Already membership has altered in recent years with the increasing popularity of the metal markets with investors and so-called "long-term" investors. The financial warning to the metal and commodity traders that its new system of monitoring the markets meant that it would be prepared to stamp down quickly

Because of the greatly increased financial risks involved as a result of inflation, new members of the Exchange are now required to provide a guarantee of some £5m, and a large trading turnover is therefore needed to justify the cost of such a guarantee.

Although no discernible progress has been made in the introduction of a "clearing house" system to replace the present principals' contract, powerful forces including the Bank of England are at work pressing for a securer financial base before any potential disaster occurs.

The Bank of England also played a major role in what was probably the most significant domestic matter on the LME during the past year—the decision to ban non-trade (speculative) trading on the zinc market for a period from May to July. On the face of it this was a voluntary ban imposed by the LME Management Committee when it was discovered that the proportion of speculative activity in zinc had reached undeniably high levels compared with trade business. But this was very much a decision imposed by the Bank of England since it was based on evidence taken by the Bank from its March and April returns provided by metal traders, and it was accompanied by an unofficial warning that some action should follow.

Indeed the action by the Bank was interpreted as a general warning to the metal and commodity traders that its new system of monitoring the markets meant that it would be prepared to stamp down quickly



of investment providing some protection against currency and inflation fears could mean a changed role for the exchange in future, especially if a "clearing house" system is finally introduced.

The exchange has demonstrated that speculation can play a valuable role in providing financial help to producers in developing countries just at a time when it is needed most. But the threat of more controls persists.

For the moment the markets are faced with tough problems in tackling the chaos created by the breakdown in currency rates, with some countries like the U.K. faced with paying much more for their metals at a time when surplus supplies are bringing historically low prices in other countries. With "strong" currencies like West Germany. Assessing the price impact on supply and demand in this situation is extremely complex, but it is a task the exchange has to achieve almost every day.

on unhealthy trading situations, including excessive speculation.

However, the curb on zinc market trading raised all kinds of fundamental questions about the freedom of international markets to operate without interference from domestic governments and was widely misinterpreted overseas as a move by the Bank of England to introduce much tighter controls.

Restrictions

In fact the main initiative for more curbs on commodity trading is now coming from across the Atlantic where the Commodity Futures Trading Commission is seeking restrictions on tax "straddles" and options trading, both particularly popular in the silver market.

Paradoxically, warnings from the U.S. Justice Department about anti-trust legislation have tended to discourage producer participation in the lead and zinc markets, and has cast a shadow over the future of the European producer price for zinc — currently at a large

premium to the LME "free" market.

The tin market also broke loose this year to some extent from the limitations imposed by the buffer stock of the International Tin Council when the price rose through the "ceiling" of the International Tin Agreement after the buffer stock holdings were exhausted over a relatively short period.

However the failure of copper prices to rise as expected has led to renewed pressure from the developing countries in particular for some kind of price stabilisation.

The UN Conference on Trade and Development is very much committed to the buffer stock principle as part of its integrated programme, with copper as one of the ten "core" commodities. But the Council of Copper Exporting Countries (CIPEC), now with an enlarged membership, has moved perceptibly in favour of closer links with consumers and joint consultations as to how to achieve the greater price stability both sides want.

This dialogue has become

enmeshed with the general UNCTAD debate on commodity pacts and may, therefore, not make the progress possible if producers and consumers of copper had been left alone to work something out. But if the price of copper continues to remain depressed, disregarding the fact that developing countries cannot afford to produce at a loss during times of raging inflation, then some positive action may have to emerge that could severely reduce the importance of the LME as a pricing media.

However, the Metal Exchange can claim with some justification that it has done a lot for the producers, including the developing countries, during recent years in providing from outside sources the financing of the heavy surplus stocks that would otherwise have had to be met by the producer. There is little doubt that long-term investors and speculators have helped keep copper prices much above the level justified by normal supply-demand considerations.

The banks, and other financial institutions, have also played a major role in carrying the cost of the huge surplus stocks by using the mechanism provided by the London Metal Exchange, which is currently holding record stocks of copper and zinc in its warehouses, as well as sizeable amounts of lead, tin and silver.

This achievement in attracting financial support for metal stocks is reported to have attracted the attention of

aluminum producers, who have to bear the costs themselves at considerable hardship. It has led to hopes of a possible LME aluminium futures contract being introduced.

However, once again the idea seems to have come up against strong opposition, so the exchange is unlikely to start its second century of trading with a new market.

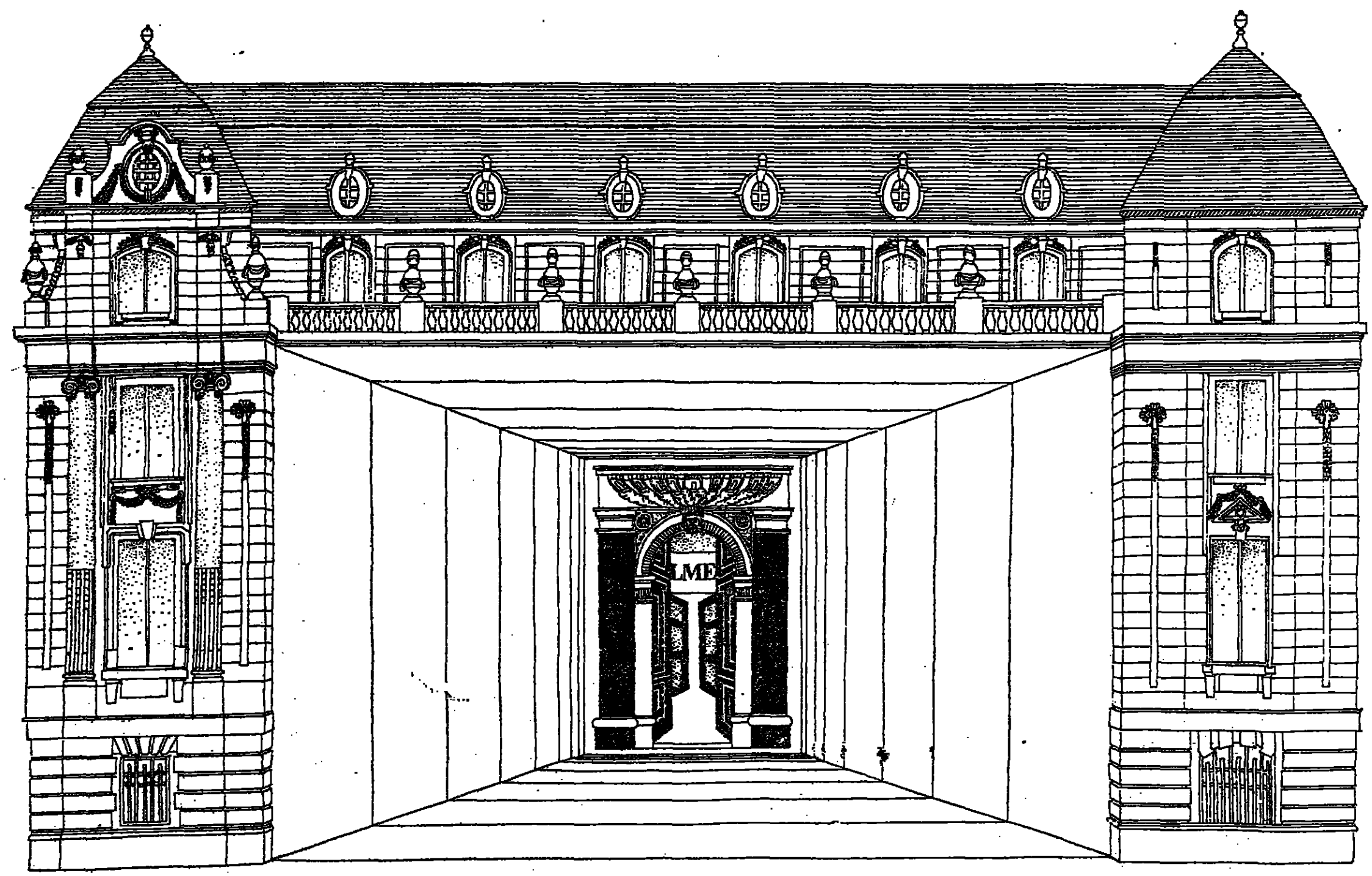
But the growth of interest in commodities, and metals in particular, as an alternative source

WESTERN WORLD REFINED COPPER

Thousands Metric Tonnes

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 |
|---|---------|---------|---------|---------|---------|---------|
| World stocks start year | 1,283.0 | 1,085.0 | 1,747.9 | 2,327.5 | 2,987.5 | 3,473.5 |
| Refined production | 6,684.3 | 6,947.2 | 6,252.1 | 6,318.0 | 6,980.0 | 7,451.0 |
| Refined consumption | 6,942.5 | 6,464.5 | 5,490.4 | 6,128.0 | 6,544.0 | 7,248.0 |
| Net imports/exports | 34.0 | (16.0) | 10.0 | 70.0 | 50.0 | 50.0 |
| World stock year end | 1,085.0 | 1,747.9 | 2,327.5 | 2,987.5 | 3,473.5 | 3,726.5 |
| Ratio stocks to consumption % | 15.6 | 27.0 | 46.0 | 48.3 | 53.0 | 51.4 |
| Month stock (Based on annual consumption) | 1.9 | 3.3 | 5.5 | 5.8 | 6.3 | 6.2 |

Source: Copper Trends 1970-78



Behind these Portals—more than two centuries experience in metals.

In Frankfurt, the home of Metallgesellschaft, and in London, as a ring dealing member of the prestigious century-old London Metal Exchange, we are committed to finding, processing and trading metals the world needs.

Metallgesellschaft has spent the better part of 100 years in metals — prospecting, mining, planning, financing, transporting and trading — and today is among the world's leading producers of non-ferrous metals, a manufacturer of many semi-finished metal products and a front runner in engineering and plant construction through its worldwide Lurgi subsidiaries.

The focal point for Metallgesellschaft's trading

activities is the London Metal Exchange where our extraordinary team of experts, drawing on a vast reserve of experience and tradition and supported by our own banking and financial services, trades actively both for the group companies and a well selected international clientele.

The mutual confidence built up over the years between Metallgesellschaft, the London Metal Exchange and dealers throughout the world plays an immensely important role in our continuing efforts to maximize the opportunities in the exciting and rewarding world of metals.

To find out more about Metallgesellschaft, just write or call.

METALLGESELLSCHAFT AG
Reuterweg 14
D-6000 Frankfurt/Main 1
METALLGESELLSCHAFT LTD.
19-21, Great Tower Street
London EC3R 5AQ



for your
every
Future
need...

Wallace Brothers
Commodities Ltd

Members of
all the leading London
Futures Markets

108 Fenchurch Street,
London EC3M 5HP
Telephone 01-481 8671

A member of the Wallace Brothers Group



More and more influential business and professional
people are regularly taking the

**World Commodity
Report**

produced by FINANCIAL TIMES BUSINESS
NEWSLETTERS where 'Specialist subjects
receive specialist attention'.

If your business interests demand regular information
about the world's commodities, please complete and
forward this advertisement, and we will send you
a free sample copy.

Name _____
Organisation _____
Address _____

Send to: Subscriptions Dept (WCR), Financial Times Ltd.,
Bracken House, Cannon Street, London EC4A 4RY.
FT28/10 IWCR

BILLINGTON OF LIVERPOOL

offer a Personal Service to Business Houses
and Private Clients.

FOR DETAILS OF TRADING IN SUGAR, COCOA,
COFFEE, METALS, GRAINS, ETC., AND FREE
COMMODITY FUTURES TRADING GUIDE

Write to:

Edward Billington (Commodities) Ltd.
CUNARD BUILDING, LIVERPOOL L3 1EL
Phone: 051-236 1222 (10 lines) Telex: 629594

ACLI International Commodity Services Ltd.

Specialists in hedging and arbitrage
in non-ferrous metals

Direct telephone and telex links with US markets

Plantation House, Fenchurch Street
London E3M 3DX

Telephone: 01-623 3811

Telex: 887684

Investing in uncertainty

THE LAST couple of months has seen a sharp fall in the price of copper and dealers now believe that a number of institutional investors have liquidated their holdings and so added to the factors that are sending prices down. Those of them that were astute enough to buy into the market over a year ago have come away with a considerable profit.

Despite the bearish outlook for the metals in the short term, the market believes that many other investors are still keeping their holdings, considering them to offer a unique hedge against inflation and currency fluctuations.

Alternative

For a number of years the institutions have been involved in short term investment in the commodity markets, as an alternative to the money markets. The contango, that is the premium of the three months price over the cash price, provides a useful method of dealing with short-term funds. Companies can thus enjoy a yield of around 18 per cent on copper at the moment by buying cash metal and selling the three months position. To do this the investor finances the purchase of physical metal in return for a fixed payment for the metal in three months' time.

Since about April last year, the more traditional role of the commodity markets has been extended so that institutional investors have been prepared to take delivery of the metal, which is nearly always copper, and to hold it for long term investment purposes.

It is difficult to gauge the extent to which this has been taking place, particularly since dealers may not always know for what purpose purchases are made. It was generally agreed that the quantity of investment buying during the early part of this year was one of the factors pushing up the metal prices and also contributed to the steady increase in LME stocks. According to market rumours as much as 200,000 tonnes of the 569,530 tonnes of copper stocks held by the LME may be kept for investment purposes.

The arguments for holding commodities are based on the desire to get back to solid measures of value, when paper

money is becoming more and more distrusted. Unlike gold or any shares in a company, copper, it is maintained, must always hold its value over the long term in all circumstances short of Armageddon.

The falling pound simply underpins prices on the metal exchange, and the sick state of the British economy is of little consequence when dealers are more concerned about the potential demand from the U.S. and Europe. Thus commodities offer a simple way of breaking away from local economic influences. What is particularly attractive about this form of investment for Britons is, that unlike investing in foreign shares, there is no penalty in the form of the dollar premium.

With such advantages it might be considered surprising that there is not more long term investment in the markets. There are, of course, disadvantages in this kind of investment, chief among them being that commodities involve a negative yield. Anyone taking a cash delivery is forced to pay insurance and warehouse charges.

The insurance costs are not in themselves high, being non-perishable, and there is little that can happen to copper, except it being stolen. The actual premium will depend on whether the warehouse is covered or just surrounded by a wire fence, but it will work out at around £3 per £1,000 value per annum. The warehouse costs themselves are more substantial. They vary from between £3.50 to around £4 a week for each copper warrant, which represents 25 tonnes of metal. This means that the actual cost of holding the metal will be somewhere in the region of 1 per cent, apart from the income that is lost on it.

While over the long term copper is likely to hold its value, short term fluctuations can be very sharp, largely owing to the amount of metal which is bought on margin, which can intensify short term troughs and peaks. The metal therefore cannot be considered a suitable vehicle for institutions who need to keep their funds relatively liquid. Unless they judge the market cycle correctly they can find themselves locked in until the price rises, or forced to take a loss.

The disadvantages can nevertheless be over-emphasised and much of the reason why insti-

tution is not greater in the commodity markets can be attributed to the fact that as a relative newcomer on the scene it is still not considered wholly respectable. Anyone doubting this can soon be convinced by the impossibility of discovering who holds stocks of copper. True commodity funds are run by heavyweights Rothschilds, Save and Prosper, Warburgs and Surinvest, but it is estimated that their total funds devoted to commodities by these offshore unit trusts came to only just over £30m. This is tiny compared with the amounts rumoured to be held by other investors.

Apart from Surinvest, which has separate copper and silver funds, all the other funds have a mix of commodities. Warburgs, whose Metals Trust is still only holds 53 per cent of copper; the proportions held by Rothschilds and Save and Prosper are much less. It is quite possible that the market rumours of the amount of investment money is grossly exaggerated.

Of course, not all the funds invested by the commodity trusts come from institutional investors. Warburgs' trust is only open to pension funds, charities and similar bodies but Surinvest caters almost wholly for the private investor. Nevertheless, the Commodity Trusts are well placed to gain institutional business as Pension Funds will normally be banned from operating directly in the commodity markets, rather than through such intermediaries.

On the whole market men feel that much of the investment money which has come into the LME is derived from abroad.

Foreign

It is, indeed, from overseas sources that dealers are expected to see the bulk of the growth, which they argue is inevitable, in direct commodity investment—provided that is, that there is no Government interference. The lack of respectability stands not only to deter the traditional-minded British investor but his more cautious foreign counterpart.

The Government action against zinc speculation in the summer has sparked off fears of further intervention despite the assurances given by Government economic adviser Harold

Lever. The recent submission by Labour MP Mr. Jeff Rooker to the Lords Select Committee investigation into commodity prices, that all currency and commodity speculation should be banned, has heightened the feeling of disquiet.

In an important sense even long-term investment in commodities can always be considered as speculation, in the sense that it is not channelling funds into anything productive but is simply waiting for a capital gain. This is a criticism to which the commodity companies are particularly sensitive and they are quick to point out the advantages of investment money in the markets. But there are still fears that even though the Government may be convinced of their case, the very debate may damage overseas confidence in the LME.

Change

Any further explosion in investment business is almost bound to come from abroad. As long as commodities remain outside the provisions for trustee holdings, the vast funds managed by the insurance companies and the authorised unit trusts cannot be directed towards them, however good their potential return. There is unlikely to be any change in such regulations in the near future.

Meanwhile other British investors, who indeed may not have the freedom to divert funds to Comex, may be discouraged from this form of investment until the tax issue has been decided. The Inland Revenue has so far been inclined to treat short term gains on commodities as income, so attracting a higher taxation rate than capital gains tax. It has not yet been determined whether or not the commodity trusts will be able to escape this penalty.

However, now that gold is under the cloud of the IMF sales, commodities seem uniquely placed to fill the position of a measure of real worth. Copper has so far enjoyed the most attention because of the size and sophistication of the market. But already dealers are expecting interests to widen. One dealer from Barce considered that the coffee and cocoa markets could attract growing investment monies, albeit for shorter term investments. Others mentioned lead as a potential investment vehicle.

Since the LME must compete against the other major world commodity markets, whether

or not, it will benefit fully from the belief that a Government the growing trend must depend directive is likely to cut the on Government action. Those value of their holdings over night.

Susan Glascock
Editor, World Commodity Report

**G.W. JOYNSON
& COMPANY LIMITED**

Commodity Brokers

We are Members of all the United Kingdom
Futures Markets

(Cocoa, Coffee, Non-Ferrous Metals, Sugar,
Rubber, Vegetable Oils, Cotton, Wool,
Silver, Grains)

Our Commodity Futures Handbook and other
explanatory literature is available at

14 Trinity Square, London EC3N 4BB

Telephone 01-480 6821 Telex 885346
Cables "Warrior"

Offices in Bradford, Liverpool, London (West End),
Manchester, Isle of Man and Geneva.

a member of the
Inchcape Group of Companies

Ring Dealing Members of the London Metal Exchange Philipp & Lion

International Traders in Non-Ferrous Metal,
Scrap, Residues and Ores, Refined Copper, Tin, Lead,
Zinc and Silver, Semis

Established 1909

Moor House, London Wall, London EC2Y 5AR.
Tel: 01-628 3060, 01-638 0088.
Cables: Cafening, London, E.C.2.
Telex: 888555, 388556.

Hedging against the future

ANY TRANSACTION in the market place is subject to risk, and this is as true of the London Metal Exchange as any other. Sellers want the most for their wares, buyers want to pay the minimum. Producers seek the highest prices, consumers seek the lowest. The prices obtaining in the market place reflect the point at which the needs of buyer and seller meet and this point is subject to variables like the level of supply and demand and the availability of finance.

Against the background of these complexities, hedging is the practice frequently used on the LME by the metals industry in its widest form to balance its books. Often considered as a form of insurance, it is more in fact an exercise in arbitrage, matching up dealings in one market against dealings in another. By limiting exposure to price risks, the idea is to cancel out the possibility of losses through marked price fluctuations.

Broadly the buying or selling

of metals in the physical sense is matched by taking the reverse position in the futures market. The LME, however, on one side, may be counter-balanced by profits on the other. At a very basic level, the mechanics are quite simple.

In a recently published book, Robert Gibson-Jarvis, the LME's Executive Secretary, gives an example of an unentered hedging transaction, working on the assumption that the premium of three months metal is £3 over the price of cash metal.

A merchant buys 100 tonnes of lead for delivery on a date within the next three months. He pays £250 a tonne, that being the settlement price on the LME on the day in question. At the same time he starts to cover this physical purchase by selling 100 tonnes of lead on the LME. The merchant receives the prevailing forward price of £253 and the contract is due for settlement on the date that the merchant expects to take delivery of the physical lead.

When this day comes the merchant sells to his customer the physical lead he has purchased at £250 for the day's LME settlement price of £265. On this transaction he has made £15 a tonne. On the LME itself he buys in his contract for the same price, £265, thus registering a loss of £10. But he is in pocket to the extent of £5 a tonne on the whole process.

Had lead prices declined on the LME during the course of the operation the merchant would still have made a profit because he could have bought in his futures contract for less than he sold it.

Variations

This is an example of a selling hedge. A buying hedge would work in the opposite fashion. But within the framework of the basic calculations there are many variations. Contracts in London can be set against others in New York, contracts can be carried over or changed depending on market movements and so on.

Hedging is the risk on which the LME stands. "It exists because of trade hedging. The rest is speculation," says one broker. And hedging is not a local phenomenon. The importance of the facility to the mining and metals industry is such that at least half the LME member firms are owned or controlled from outside the U.K.

The amount of hedging that takes place on the LME is, however, almost impossible to quantify, proportionate to total trading. Although tonnage statistics appear daily to enumerate the turnover in each of the five metals, the motives behind each deal remain hidden. But certainly the level of hedging business reflects international economic cycles and is inevitably greater at times of expansion.

CONTINUED ON
NEXT PAGE

copper,
silver,
zinc
from the
heart of Europe

F.L.T. & Metals Ltd.

International Traders in Non-ferrous Metals and Semis

Commercial Union House
1/5 Long Lane
London EC1A 9HA
Tel: 01-606 1272/73. Telex: 8871917

Sole UK Representatives for
Impexmetal Warsaw

WANT TRADE
LIME

Ring Dealing mem

TENNANT TR
national merchants
and specialists i

LONDON
Tennant Tr
9 Harp Lane, Lo
Tel (01-1) 626 4533

SYDA
Tennant Trading (A
Whitfield House, Sydn
Tel 620512

NEW
Consolidated Mineri
20 Park Ave., New
Tel (212) 490-2100

Members of the Council
of Com

Just published by W
LONDON ME
A Commodity
by Robert G

Executive Secretary, L
and in association with M
to the world, this book
potential reading for ph
as well as investment
City booksh
7 Rose Court, Lond
of 1700

LONDON METAL EXCHANGE III

Charting out the markets

Commodity market the basic conditions determining price are supply and demand. The case of metals is considered more stable than it is for other commodities such as oil and cocoa. Ore resources are not destroyed by natural disasters such as floods, earthquakes and sudden frosts the case with vegetable products. But the machinery ing metal ores into production is by no means free from such natural risks.

On the other hand metals are probably less stable than cocoa, coffee and other commodities, as it is to a large extent, on the level of industrial production. It is this instability in bread and butter to the commodity analyst. The basic theory behind it is that price is the product of all other factors. "Chartists" have been taken into account. That by watching for the price movements they predict subsequent movements with a precision that is matched by other factors of analysis.

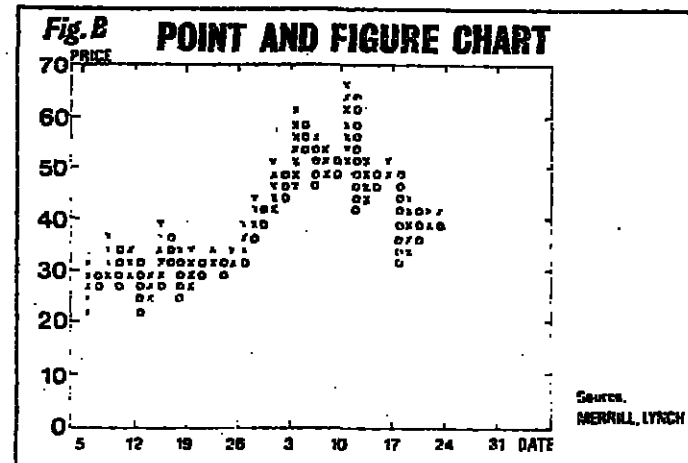
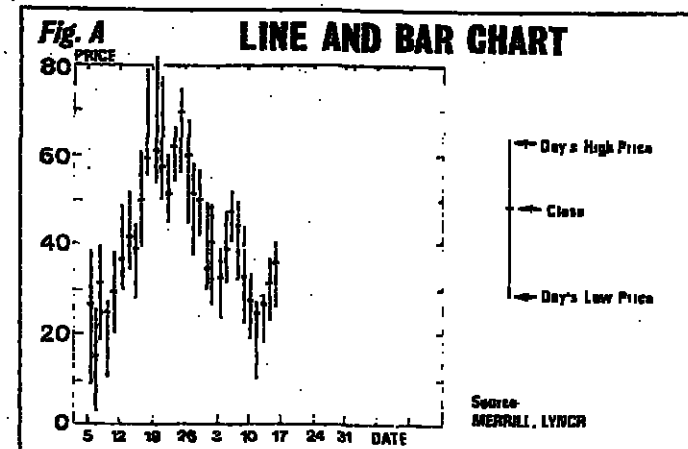
Belief is shared by a number of speculators who religiously monitor market operations on movements and by many who do not dream of making money in the market without the aid of the charts. The latter attitude has to be commended. It is dealing, particularly in the case of metals, where it can almost be described as a fundamental market factor.

Charting

Chart analysis would be the former view. Most see their charts as a back-up to more analytical methods. The speculator wishing to take on the market based on fundamental considerations is advised to time his entry into the market with reference to charts, but few analysts would have the courage to suggest that he is entirely with chart analysis.

Layman tends to view the role of the chart in an over-estimated manner and this is a source of annoyance to analysts. The days of simple line charts with its "tops" and "heads" and "double bottoms" are long past and analysts are now equipped with more sophisticated techniques.

Line chart still performs the function in the his-



torical representation of market movements but for prediction purposes the major analytical tools are now the line and bar chart (Figure A), the point and figure chart (Figure B) and the moving average.

The main function of the line and bar chart is the identification of major changes in market trend. The vertical line represents the day's trading range and the short horizontal bar the closing price. This construction is used to establish "trend lines." The trend line is a straight line drawn through three or more high or low points on the trading range lines, the high points being used for downtrends and the low points for up-trends. The strength of the trend is indicated by the number of low points (in the case of up-

trends) or high-points (in the case of down-trends) which actually touch the line. If the trading range line breaks through the trend line at any time this is taken as a minor indication of a change in trend and if the price actually closes above a downside trend line or above an upside one this represents a strong indication of a trend change.

The point and figure chart (Figure B) is used to spot break-outs from sideways trends or "consolidation areas." Here the width of the sideways move is taken to be directly proportional to the size of the potential rise or fall, and the likely direction of the move is indicated by the preponderance of trading at the higher or lower end of the range within the consolidation area. A preponderance of low-

level trading indicates a rise while a preponderance of high-level trading indicates a fall.

The x's in a point and figure chart indicate upward movements while the o's indicate falls. In the illustration a "one box reversal" system is used so that a new vertical line is established every time a change in direction takes place. If a two or three box reversal had been chosen a new trend would only be established by a two or three point reversal in the trend.

The third major type of chart is the more familiar looking moving average. Two moving averages of different scales are plotted simultaneously. Here the movement of the shorter average above the longer is taken as a buy signal and its movement below the longer average as a sell signal. The theory behind this is that when a significant movement does take place the speculator should find himself holding the appropriate position.

But no chartist would suggest that any one of these charts be followed in a vacuum. Cross-reference between them and resort to further indicators is necessary to a sensible investment strategy.

In the illustrated point and figure chart, for instance, there is no clear signal of the likely direction of the indicated movement. But reference to the change-of-trend indication in the corresponding line and bar chart could well fill this gap. If further elucidation were still required the chartist could fall back on such tools as the over-bought-oversold oscillator (based on open interests in the market) and the momentum oscillator (a near-term indicator based on price differences over short periods).

But even assiduous attention to these considerations (and others far too abstruse to go into here) are likely to leave gaps which can only be filled by experience and inspiration. As one chart analyst commented to me "chartism is an art not a science."

Richard Mooney

Hedging

CONTINUED FROM PREVIOUS PAGE

For most industrial concerns using the LME, the amount of hedging reflects their use of the physical metal.

Among the different metals, copper is the most heavily traded LME commodity and is also the most extensively hedged. At the other end of the scale, dealers suggest that there

is only minor interest in hedging silver.

Equally no figures exist to define the exact amount of hedging by any particular sector of the industry. While the LME facilities are as relevant to producers as to consumers, it seems that the mines hedge less than those who use their products. And within that generalisation, the producers tend, it is thought, to use the LME more when prices are advancing, reflecting high demand or the expectation of it, than when they are retreating.

Indeed one of the features in the climbing market of 1973 was hedging by the mines according to London brokers. The intention was to register the differential between the moving market price and the level at which actual sales were being made from the mine, which would have been dependent on LME averages over perhaps a month or three months, dependent on the contract.

But the mining interests were less visible on the market as prices moved down. Any intervention which might have suggested the mines were trying to support prices, although that might not have been the original intention, would have left them very exposed. To have been left with substantial supplies of metal at a time when prices were low, perhaps not even covering the costs of production, would have been extremely damaging in financial terms.

The most extensive hedging is conducted by merchants and the manufacturers engaged in the primary processing of the metals. Manufacturers who produce the metal end-product tend to be less attracted. There is also some hedging by scrap merchants, although their dealings are restricted because secondary metal prices tend to move independently from those on the LME.

The advantage of the LME to both merchants and first-stage fabricators has been clear in recent weeks. Brokers explain that when the market fell end-product consumers thought it would be beneficial to build up their stocks. The first-stage fabricators, with yearly supply contracts drawn up on a monthly quota basis from the producers, found that they were using up these quotas more

quickly than they had anticipated. They therefore bought copper on the LME to cover their hook, even though by the time they need to make delivery, supplies from the producers may have built up again.

But consumer hedging is by no means universal, either in the early or late stages of processing. Reasons for this absence from the market are varied. Some manufacturers accept fluctuations in raw material prices as a natural risk of business and hope merely to pass them on to consumers, something that is becoming more difficult to achieve at a time of restraint at home and of a tendency by overseas buyers to wish to exclude automatic price increases from contracts.

Facilities

Other consumers have taken the attitude that if their sales are on a back-to-back basis, that is to say that what they intend to buy they have already sold, there is no necessity. Others again have never been involved in hedging and see no reason to change, or are simply ignorant of the facilities that exist. In some there is a feeling that their stocks are not large enough to warrant the expenditure involved in employing somebody to watch and act on the market especially when the making of profits on the LME is not necessarily the primary consideration.

Protagonists of the LME are generally contemptuous of these arguments. They see as nonsense comments by company chairmen which blame fluctuations in metal prices as a reason for falls in profits, contending that a failure to use the LME is as speculative as possessing a house without fire insurance cover.

To be sure, the LME, like other futures markets, offers a way of reducing the hazards inherent in the purchase of physical commodities. The LME is not after all the haven for speculators that it is sometimes made out to be. The market was established by the trade for the trade, which has found that it needs speculators to take some of the risks.

Paul Cheeseright

COMMODITY EXCHANGE, INC.



WE DON'T TRADE CORN FUTURES

COMEX members trade gold, silver and copper futures, and do more of it than any other exchange in the world.

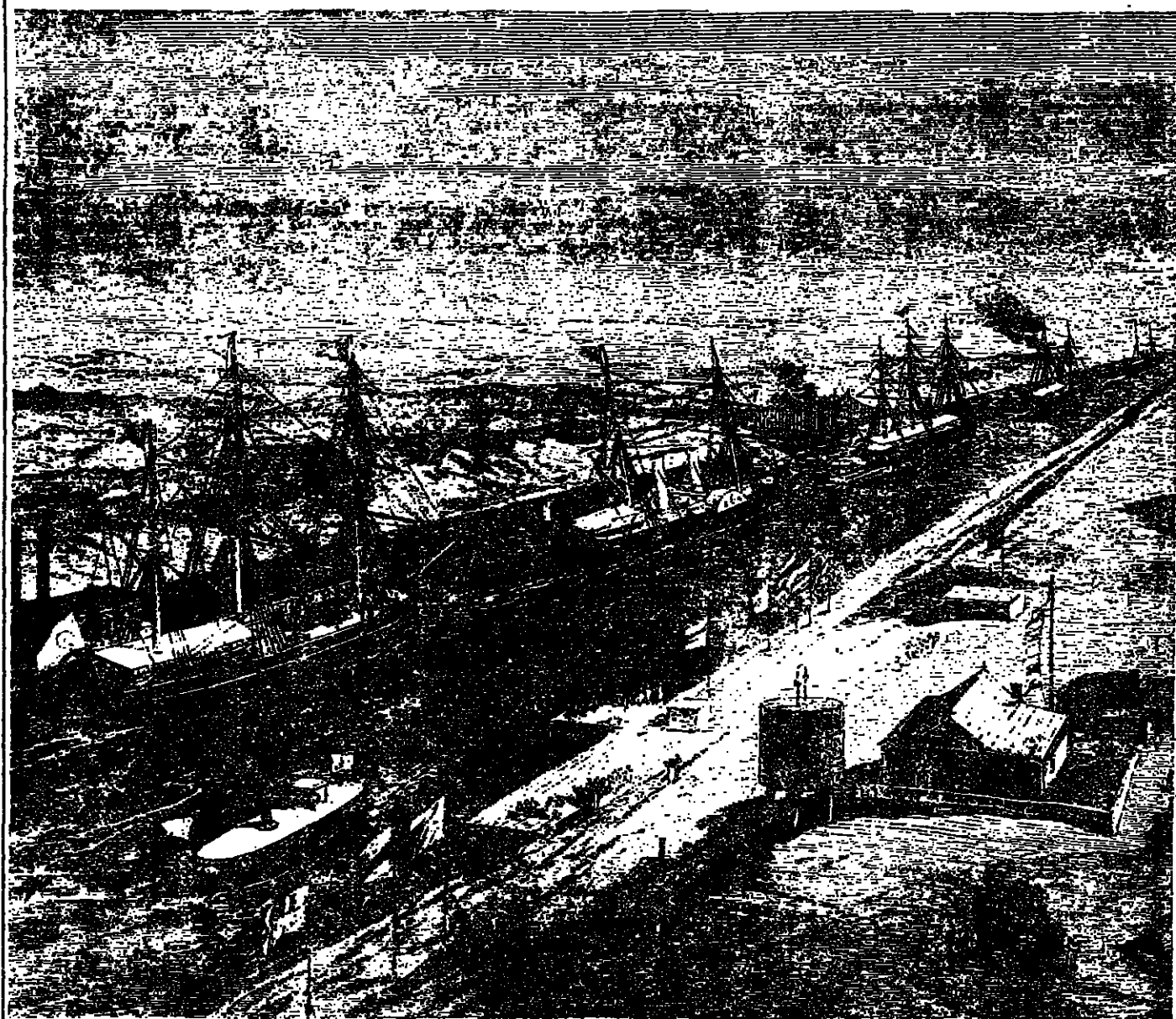
In 1975 the total value of Silver, Copper and Gold futures contracts traded on COMEX reached an all time high of \$73 billion. And activity continues at record-breaking levels with over \$45 billion worth of contracts traded in the first half of 1976.

You should know more about COMEX and the steadily-expanding metals futures markets. Call or write for our information kit.

COMEX

COMMODITY EXCHANGE, INC. 81 BROAD STREET,
NEW YORK NY 10004 • (212) 269-9450
THE WORLD'S LARGEST METALS FUTURES EXCHANGE

| | | |
|------------------------------------|--------------------------------|--------------------------------|
| SILVER 5,000 Troy Ounces | GOLD 100 Troy Ounces | COPPER 25,000 Pounds |
|------------------------------------|--------------------------------|--------------------------------|



Picture by courtesy of The Illustrated London News

On Tuesday, November 16th 1869...

...while Rudolf Wolff was carrying out his metal business in London, the Khedive of Egypt gave a party for the Empress Eugenie of France, the Emperor of Austria, the Crown Prince of Prussia and 5,997 other dignitaries to celebrate the opening of the Suez Canal built by Ferdinand de Lesseps during the preceding 10 years. The 6,000 guests were catered for by 500 cooks and 1,000 servants and on the morning of the 17th a flotilla of ships led by the Empress in the Imperial Yacht L'Aigle led the way into the Canal to the sound of rival salutes and the strains of twenty military bands. At sunset in Ismailia amid great ceremony, Africa was officially declared an island. The Canal brought great benefits to Britain particularly when in 1875, the Prime Minister, Benjamin Disraeli, pulled off one of the most spectacular business deals ever achieved by a British politician in office. He approached the City of London, borrowed £4 million from a well known merchant bank and bought out the Khedives' shares in the Canal.

The Khedive at this time had, through unprecedented personal and governmental spending, virtually brought Egypt to bankruptcy and was prepared to sell his great asset to stave off the day of reckoning which eventually arrived four years later.

In 1875, around 1,700,000 tons of British shipping were passing through the Canal each year as Britain had become a big exporter of manufactured goods and consequently a big importer of raw materials.

Rudolf Wolff and his fellow metal merchants discussed the import of these events in conjunction with the new international telegraphic system, in a Coffee House off Cornhill. One of them, and Rudolf always swore it was him, suggested the formation of a metals futures market in London and they all sat down and began to think.

When you deal in metal and commodity futures it's reassuring to know your broker has a past.

Rudolf Wolff & Co. Ltd. Estab'd 1869

Founder Members of the London Metal Exchange
Head Office: Knollys House, 11 Byward Street, London EC3R 4ED Tel: 01-626 8-65.
Offices: New York (212) 522-3365; Düsseldorf 80031; Hongkong 24 9162-5; Melbourne 267 3277; Dublin 689260

TENNANT TRADING (METALS) LIMITED



Ring Dealing members of the L.M.E.

TENNANT TRADING LTD
International merchants in metals, ferro alloys, chemicals, and specialists in base and minor metals.

LONDON
Tennant Trading Ltd
9 Harp Lane, London EC3 6DR
Tel (01-) 626 4533. Telex: 834724

SYDNEY
Tennant Trading (Australia) Pty Ltd
Goldfields House, Sydney Cove, N.S.W. 2000
Tel 620512. Telex: 22885

NEW YORK
Consolidated Minerals & Metals Corp
230 Park Ave., New York, N.Y. 10017
Tel (212) 490-2100. Telex: 426271

Members of the Consolidated Gold Fields Group of Companies

Just published by Woodhead-Faulkner
THE LONDON METAL EXCHANGE
A Commodity Market
By Robert Gibson-Jarvis,
Executive Secretary, London Metal Exchange
Published in association with Metallgesellschaft A.G. £6.50
A comprehensive study of one of the most important commodity markets in the world, this book provides the reader with a wide range of information on the organization and mechanism of the LME. Essential reading for producers, consumers and dealers in metals, as well as investment managers and private investors. Available from all City bookshops or direct from Woodhead-Faulkner Ltd., 2, Rose Crescent, Cambridge CB2 3LL (Tel. 0223 5) at £7.00 inclusive of postage.

zinc
from the
part of Europe
& Metals

ICCH

Recognised International leaders in Clearing and Guaranteeing Services for Futures Markets have pleasure in announcing that

"INTERCOM"

The most advanced computerised information system for Commodity

Brokers and Dealers will shortly be released to

Ring Dealing Members and Associates of the

LONDON METAL EXCHANGE

International Commodities Clearing House Limited

Roman Wall House 1-2 Crutched Friars
London EC3N 1AN Telephone: 01-488 3200

Momento de tensiones y posibilidades de desarrollo



Amalgamated Metal Trading
LME brokers worldwide

LONDON METAL EXCHANGE IV

The metals

John Edwards assesses the changes that have overtaken the metal market during the past year, and looks at the influences that are likely to affect them in the future.

Tin

Lead

Copper

COPPER HAS proved a great disappointment to those, including producers in developing countries, who expected to see a price "explosion" this year as the industrial recovery brought better demand and reduced surplus stocks.

Forecasts of copper reaching £1,000 a tonne by the end of 1976 were common at the beginning of the year and would have found even more supporters if it had been known that sterling was going to fall to its present low level against the U.S. dollar. But in the event, despite the fall in sterling and despite continued inflation in production costs, copper prices have shown only a modest increase and could well move lower in the next few months.

After building up steadily from below £500 a tonne to nearly £1,000 a tonne in early July, the market has subsequently gone into reverse losing some £200 to the £800 a tonne mark and some forecasters are predicting lower levels before the year is out. U.S. copper producers, who managed to lift their domestic prices twice from 66 to 74 cents a lb. have now been forced to cut back to 70 cents and may well have to go back to 66 cents again.

This increase far and away offsets the deficit of 114,000 tonnes in supplies estimated by the survey for the first six months of the year when a demand rise of nearly 20 per cent. meant consumption exceeded new production. It is forecast that demand will fall back by 15.6 per cent. in the second half of the year at a time when some of the production problems that hit African producers in the first half should be eased, if not solved completely.

Altogether it is predicted that copper consumption during 1976 will be only 11.6 per cent. up on the very low 1975 level and will only get back to the peak 1973 figure by 1978.

Production of refined copper is expected to rise by 19 per cent. to 7.45m. tonnes during the 1976-78 period, while demand will go up by 32 per cent. to 7.25m. tonnes. If correct, this will mean stocks rising to 3.7m. tonnes by the end of 1978.

The trend for prices is less clear. At present, levels well over 50 per cent. of copper production is operating at a loss, and this cannot go on for a long period without serious repercussions for the future. Already it is calculated that a price of \$1 a pound at least is needed to justify opening a new mine.

For developing countries, dependent for their livelihood on copper exports, the prospects of continued depressed prices is disastrous. Moves to establish a stabilisation scheme to ensure at least a minimum price have made slow progress, partly because of the link with the controversial multiple buffer stock proposed by the U.N. Conference on Trade and Development.

Build up

On the Metal Exchange meanwhile the build-up in warehouse stocks, which had slowed down noticeably earlier in the year, has resumed with total stocks now an all-time record of 572,800 tonnes against just over 500,000 tonnes at the beginning of the year.

The setback in the industrial recovery, particularly in the U.S., is behind the recent weakening trend in copper prices and renewed build-up in stocks. A further heavy blow to the market was the sharp rise in interest rates that makes stocks more expensive to finance and discourages speculators from investing in copper.

The latest survey on "Copper Trends" by Amalgamated Metal Trading, just released, suggests there is worse to come before the market starts to recover. It claims that the main priority of Governments in industrialised countries of reducing the rate of inflation will keep any recovery in economic activity to modest proportions for the next two years. In the meantime plans for expanding copper production, already in hand, are likely to go ahead and the surplus of supplies will continue to increase.

The survey estimates that the rise in world stocks during the second half of 1976 will be in the order of a massive 574,000 tonnes—the largest stocks rise in any single six-month period since the second World War.

Stockpile

The U.S. also plans to build up a strategic stockpile of copper of over 1m. tonnes, but authorisation by Congress of the funds needed to acquire any stockpile materials is not likely to be gained until the fiscal year beginning October, 1977, and even then a cautious purchasing policy is likely to be adopted.

Meanwhile high interest rates are putting severe pressure on both trade and speculative holders of stocks. However for the long term investor in Britain the cost of stocks may well be compensated for by the continuing uncertainty about sterling.

The threatened U.S. copper workers strike next July, when labour contracts come up for renewal, could well bring further hedge buying when the prospects for a stoppage can be assessed more accurately. Improved economic activity may also help boost prices, especially if new production cuts have been made.

THE PAST year has seen a remarkable transformation in the tin market. At the end of December the buffer stock of the International Tin Council held over 20,000 tonnes of surplus supplies, after having to stop the market falling below the "floor" price of \$2,900 a picul in Malaysia. Stringent export controls were also in force. Nevertheless the buffer stock had to call on huge extra financial resources to stop the market collapsing; only sterling held LME values above £3,000 a tonne.

Some 12 months later the buffer stock holdings have virtually disappeared after a vain effort to stop prices going over the Tin Agreement "ceiling" of \$3,120 a picul: export controls have been completely removed, and London prices have reached record levels—trading at over £5,000 recently.

No one has yet fully explained why demand for tin, normally a laggard compared with other base metals, has been so consistently strong. One explanation is that tinplate demand in the U.S., particularly, has strengthened considerably, with the canning industry making something of a comeback in regaining sales; certainly this would coincide with the surge in demand coming during the traditional U.S. canning "buying" period in the second quarter of the year before the crop harvest. It is not, however, confirmed by U.S. Bureau of Mines statistics for the first half of 1976, which showed that a rise of 25 per cent. in tin consumption was attributable to increased amounts used for solder, bronze and brass manufacture, chemicals and tin powder. Tinplate usage was marginally lower, although June consumption showed an increase and new long-term development incentives offered to U.S. can-makers suggest that tinplate is winning back some lost markets.

The setback to the economic recovery could well hit demand for tin again, as happened in 1975 when consumption fell to 173,100 tonnes compared with the peak of 213,900 reached in 1973. But it is worth noting that in the past 15 years new production has only exceeded consumption on four occasions. The supply deficits have largely been made up by sales from the U.S. strategic stockpile. The stockpile objectives have been revised once again theoretically leaving more surplus tin available for sale. But for the present only around 3,000 tonnes is authorised for disposal, and it may take considerable time and political effort for Congress to approve further sales.

Although the U.S. is now for the first time a member of the Tin Agreement, it is considered unlikely that it will make any contribution to the voluntary buffer stock unless a new Administration adopts a different attitude. If the expected shortage of tin supplies persists, therefore, producing countries may decide that consumers are not fulfilling their proper role when the Agreement comes up for review next year. Meanwhile the fundamental supply-demand for tin suggests that present price levels will be at least sustained, unless there is widespread selling of speculative holdings believed to have been built up or another economic recession develops. So far the higher prices have only helped to slow down the slide in production in certain areas, such as Malaysia, but there is little prospect at present of expanding output sufficiently to meet any further rise in consumption.

LEAD PRICES have shown great stability during the past year in sharp contrast to some other metals, notably its "sister" metal, zinc. Although lead producers are no longer supporting the London Metal Exchange market as they have done in previous years, prices have moved steadily up during the past 12 months from around £160 a tonne for cash lead to the present level of about £280. The recent setbacks, which have badly hit other metals such as copper have had much less effect on lead, following sustained consumer buying interest and a sharp drop in LME warehouse stocks.

The underlying strength of the market has been provided by the buoyant demand for batteries—the main outlet for lead—and in the case of London sustained buying from Eastern Europe, apparently reflecting a setback in Soviet Union output.

Recession

LME warehouse stocks have been cut back from a record level of 98,500 tonnes reached in February to the present total of just over 60,000 tonnes. The stocks decline also reflects reduced scrap production as a result of the industrial recession last year hitting recovery of lead that normally arises from investment in new construction of batteries, in new uses of lead. As a result of primary lead have largely been restored. Demand for lead has benefited not only from the resurgence in the automobile industry, but also from a big shift in the U.S. towards the so-called "maintenance free" lead-calcium batteries which require greater quantities of primary lead, with a lower bismuth content than the anti-monumental lead batteries.

This technological change in battery manufacture could have a significant impact on lead in the future, with two contrasting effects. Demand for primary lead should increase, but only at the expense of greater quantities of antimonial lead having to be refined into pure lead. At the same time a longer life for batteries would reduce the amount of lead used for this important market in the long term. So while the short-term outlook for lead is still favourable, except in the case of bad economic recession developing, the longer-term prospect is clouded by the success or otherwise of the maintenance-free battery, the difficulties in expanding electric powered cars at an economical rate, and the general move in industrialised countries to eliminate lead from petrol.

THE ZINC market has suffered a depressing time during the past year and prospects at present are not looking too good. On the London Metal Exchange the price of cash zinc at under £300 a tonne at present shows little advance on the beginning of 1976, when it was £340, bearing in mind the fall in the value of sterling since then and the continued inflation in production costs. U.S. producers, who opened the year with a price cut to 37 cents a pound, a price which was belatedly lifted to 40 cents in August, have now moved back down to the 37 cents level in view of the lack of consumer demand. Indeed it is doubtful whether many consumers paid the higher price since it was announced when consumer stocks had been built up and little was sold when the

Zinc

Silver

40 cents quotation was officially in force.

The official European producer price was switched to a U.S. dollar quotation of \$795 a tonne at the end of last year because of the fluctuations in the value of sterling, and therefore rose to U.K. consumers from the previous level of £390 a tonne. But it is no secret that many consumers received discounts in an effort to maintain sales which remained sluggish despite the revival in demand for other metals. Confirmation of reports that zinc has suffered badly from the recent setback in industrial activity is provided by the sharp rise this month in LME warehouse stocks to a record level of some 113,000 tonnes, compared with around 60,000 tonnes a year ago and 48,000 tonnes in April.

The rise in stocks has come despite some sharp production cutbacks by producers in an attempt to maintain price levels by bringing supplies more closely into line with demand. Cuts of as much as 40 per cent. of total capacity were announced, although there are some doubts over how many plants are voluntarily operating at this level. It was argued that lower prices would not result in any extra sales and that therefore, it was more logical to reduce production than attempt to sell larger quantities at unprofitable prices. However, there are now distinct doubts as to whether this strategy has not misfired. It appears that maintaining the price of zinc at a time when competitive materials were being reduced in cost, has been an important influence in the loss of sales of zinc in the important casting market, especially the larger castings.

The setback generally in demand for zinc, when a recovery appeared to be building up previously, must be a source of concern for producers in view of the heavy stocks held worldwide. An opportunity for informal discussions will be provided by the annual Lead-Zinc Study Group meeting in Geneva next month, when member countries submit supply-demand estimates for the year ahead.

Earlier joint moves by zinc producers to prevent LME values from falling too much below the official producer quotation appear to have petered out, and the market has been left to go its own way. May came the freeze on speculative trading imposed by the Bank of England, which was worried by the large percentage of speculation as opposed to trade business shown in the March and April returns. Trading has now returned to normal after the ban was lifted in July, but understandably there is some speculative nervousness that a renewed ban might be enforced in a market where trade interest is at a low ebb.

Speculation

THE London Metal Exchange silver market has become of increasing importance in reflecting the price movements of this volatile metal. Although still overshadowed by the bullion market in London for physical transactions, and by the U.S. markets in Chicago and New York for volume, the LME silver contract has been particularly attractive to speculators wanting to hedge against currency and inflation fears.

With the collapse in gold prices this year silver has taken a large extent re-established its role as a favourite hedge against currency uncertainties, although it is an industrial rather than a monetary metal these days.

A noticeable influence in the market is the movement in the price of grains in Chicago, presumably as these have an indirect influence on silver prices. In fact, although silver prices have moved predictably on occasions, the underlying trend in the past year has always been upwards, moving from a low of 1964 to a high of over 280p an ounce in July, before settling back to the present level of between 260p and 280p. This does, of course, to an extent reflect the pattern of the industrial recovery in the U.S. and the setback suffered in the second half.

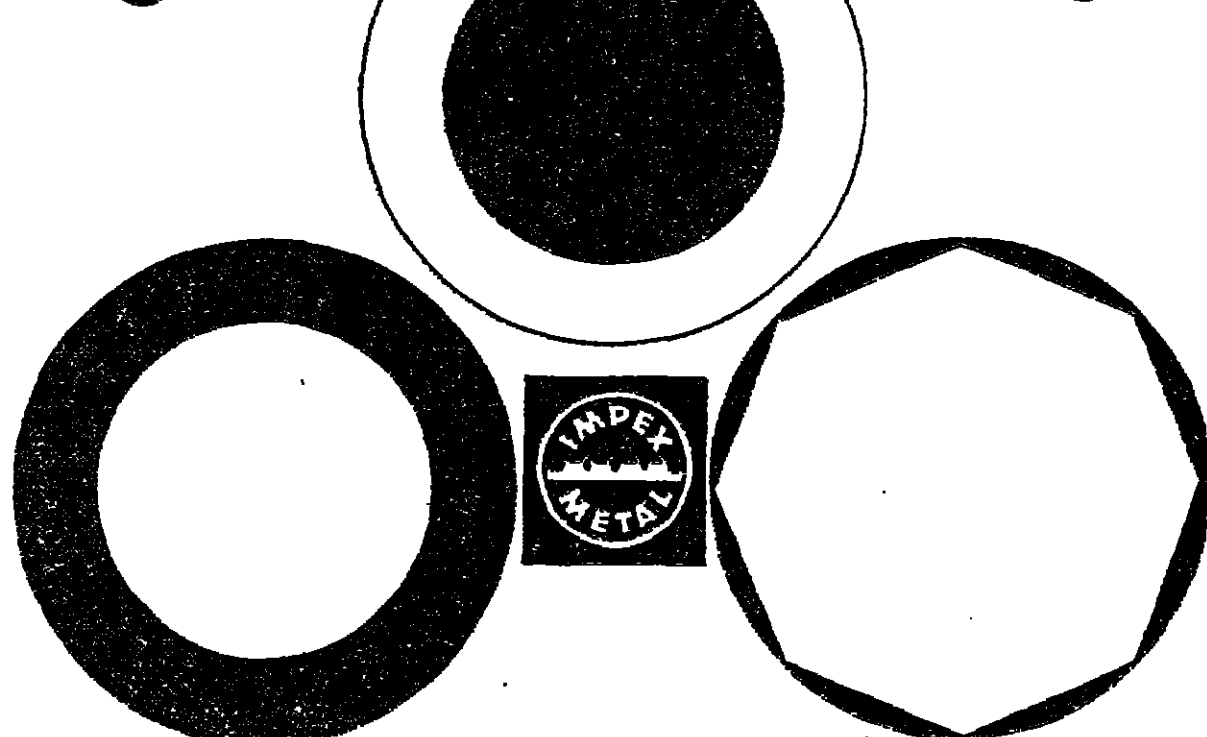
Consumption

Silver production, much of which is a by-product of other metals, is traditionally well below consumption, but increases or decreases according to the strength of industrial demand and the price level at which private stocks are supplied to the market by India and a host of other sources.

In some ways, therefore, silver is an excellent indicator of the economic climate and industrial outlook, no longer being so much influenced by the monetary considerations that have beset gold. With a permanent discount (disposal of gold against the forward price) by the U.S. Treasury, the large surplus stocks held, the silver market is used widely by financial institutions as a means of obtaining a competitive interest rate, and it has also attracted in recent years a considerable "straddle" business that is being increasingly frowned upon by the U.S. Futures Trading Commission in particular.

Moves to reduce tax "straddle" business on the LME have been taken to recent months. Silver remains a highly popular market for speculators and inevitably, therefore, attracts a good deal of criticism. Nevertheless silver is an industrial metal that has been prized as a precious metal for many centuries. It offers one of the easiest and popular ways of protecting funds against changes in paper currencies, no longer so much because of its vanishing role in coinage but because of its industrial uses that continue to exceed new production.

COPPER FROM POLAND



IMPEXMETAL

STATE IMPORT-EXPORT CORPORATION

Ul. LUCKA 7/9, 00-842 WARSZAWA, POLAND

TEL: 207051/205001 TELEX: 813372 CABLE: IMPEXMETAL WARSZAWA

Reliable source of supply located in the centre of Europe

WE OFFER COPPER CATHODES AND WIREBARS OF HIGH QUALITY L.M.E. REGISTERED

BRANDS & SEMI MANUFACTURED PRODUCTS OF COPPER & COPPER ALLOYS

SOLE U.K. REPRESENTATIVES
F.L.T. & Metals Ltd. Telephone: 01-606 1272/3
1/5 Long Lane, London EC1A 9HA Telex: 8811917

Telex 886388

Gardner Lohmann Ltd.

Commodity Brokers

Pountney Hill House.

6 Laurence Pountney Hill.

London E.C.4.

01-626 8036

LEOPOLD LAZARUS LIMITED

Ring Dealing Members of the London Metal Exchange

Telex 265544

Telephone 01-583 8060

The Lissauer Group

STOCK EXCHANGE REPORT

Markets weak on political and interest rate fears
30-share index down 8.0 at 265.3 for 7-day drop of 12%

Account Dealing Dates
Option
First Declared Last Account
Dealing Dates Day
Oct. 18 Oct. 28 Oct. 29 Nov. 5
Nov. 1 Nov. 11 Nov. 12 Nov. 23
Nov. 15 Nov. 23 Nov. 24 Dec. 7

New time 11 a.m. business days earlier.

Worries about the Government's ability to withstand the current pressures and continued nervousness about the possibility of even higher interest rates and/or an early announcement of further restrictive measures pushed gilt-edged and equity prices sharply lower yesterday. A reflection of dearer rates in the money market was found in short-dated gilts which closed with falls ranging from a full point and in yields at the long end of the market near 16 per cent. Despite the recent heavy falls in gilts, the Government Securities Index dropped 0.63 further yesterday to 35.58 which is its lowest since January, 1975.

Leading equities tended to rally in the early dealings, but a mid-morning turnaround in gilts—steady until then—caused a six-point about-turn in the Industrial Ordinary share index between 11 a.m. and noon. Selling of equities became quite heavy again, accelerated in the late afternoon and continued in late-office trade. The closing index was the day's lowest with a fall of 8 points to 265.3 which extended the loss since the May 4 high for the year to 27 per cent. Falls in the FT Actuaries' three main indices ranged to 1.3 per cent, with the All-Share 1.2 per cent, off at 118.29, but dearer money fears left the three Purchases and Property sectors with losses of 2.5 per cent, and 3.1 per cent, respectively.

The ratio of falls to gains in FT-quoted equities was 7.3, with falls in the leaders again ranging to about 10p. Official markings

numbered 4,818 compared with 4,880 on Tuesday and 4,838 on Wednesday of last week. South African Golds improved again with the Gold Mines index registering a 2.2 rise at 110.3 for a three-day gain of 4.6 awaiting news of the outcome of the IMF gold auction.

Gilt weak

Gilt-edged were completely undermined by the rising trend in money market interest rates and the continuing lack of positive official action to halt the downward slide in sterling. The pressure was heaviest at the shorter end of the market where yields in short-dated gilts rose from both building societies and discount houses, a development which left losses to a full point. Offerings of medium and long, although persistent, were not of the same volume, but in the after-hours trading some high coupon issues were also showing falls to a point. Dealers dismissed speculation about the possible reaction of both "tap" stocks by the Government broker at lower levels. Corporations also suffered falls extending to 1.

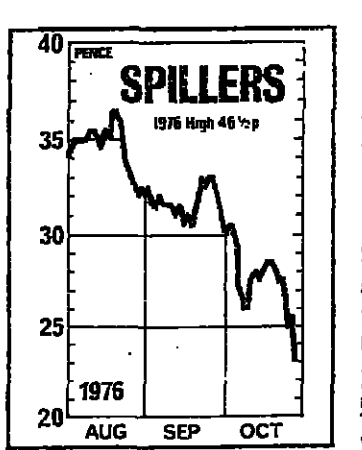
Dominated still by the behaviour of sterling, the investment currency premium reacted to 125.1 per cent, before strengthening in late-office trade, for a rise of 12 on balance. Yesterday's SE conversion factor was 0.7201 (0.7181).

Discounts flat

Fears of higher interest rates depressed gilts and in sympathy the Discount houses lost ground quite sharply, with the deterioration continuing after-hours, in a thin market. Allen Harvey and Ross lost 25 to 25.5p, while Union fell 23 more to 210p for a two-day decline of 37. Cater Ryder shed 15 to 15.5p and Alexander declined to 13.5p as did Second

Marshall and Campton, to 180p. Another smaller-priced issue, Jessel, Tynbee revealed 8 to 42p. Clive 5 to 41p and King and Shaxson 4 to 28p. The big four Banks had a tired and uneasy look in the late trade. Midland lost 7 to 200p and Lloyds 5 to 155p. Lendip Joseph gave up 10 to 110p in Merchant banks, where Slater Walker cheapened a penny to 71p.

Apart from the surrounding gloom, insurances were also worried by the apparent failure of the General Accident rights issue where it was thought that a sub-



stantial amount of shares could be left with the underwriters. Phoenix led the retreat, at 152p down 12, while 'Royals' shed 10 more to 208p and losses of around 6 were seen in Eagle Star, 74p. Guardian Royal Exchange, 159p, and Commercial Union, 73p, General Accident closed 4 off at 118p.

Breweries and kindred trades succumbed to the general dull trend. Bass Charrington shed 5 to 66p and Wulverhampton and Dudley lost 3 to 95p, while Scottish and Newcastle revealed 2 1/2 to 47p. November 11, rallied 4 to 24p.

Elsewhere, Distillers retained friendliness at 93 1/2p, down 3. Teacher (Distillers) shed 5 to 36p, the equivalent of the Allied bid with the latter at 45p, down 1 1/2.

Buildings were nervously lower. Taylor Woodrow lost 6 more to 172p, while falls of 3 were seen in A. Monk, 34p, and Marebwell, 74p. GBS Industries closed a penny off at 92p, despite a penny rise in the first-half profits, while J. Smart finished a like amount easier at 41p, also after news of increased earnings. Awaiting news of the outcome of the bid approach, Benfield and Loxley edged up 2 to 22p.

ICI closed 7 cheaper at 197 1/2p of 23p. Elsewhere in Chemicals, Algalite hardened 2 to 177p on the substantially improved first-half profits.

EMI erratic

After having improved to 181p on the announcement that the U.S. health authorities had approved modifications to the new X-ray scanning procedure, EMI reacted to close 2 cheaper on balance at 173p. Plessey gave a penny easier at 34p following Press comments on the interest rate rise. GEC 12p, and BICC, 70p, lost 4 and 3 respectively, while Telephone Rentals closed 4 easier at 64p after the half-yearly report. Bactel Electronics remained dull, losing 3 more to 137p.

Stores became a steadier market, closing little changed on the overnight levels following reasonable two-way business. Marks and Spencer were finally unaltered at 70p, after 71p, while Burton "A" 21p, and Gussies "A" 12 1/2p, both a penny apiece. Vantona reacted 5 to 37p, while Status Discount ended 2 easier at 25p and Martin the Newsagent 3 cheaper at 73p. W. H. Smith "A" with interim 10p, fell 1 1/2p to 118p. November 11, rallied 4 to 24p.

Apart from Freemans (London), another poor showing. Lucas Industries featured with a reaction of 7 to 138p, while Dunlop, with interim figures expected today, lost 2 more to 37p. British Leyland shed a penny to 25p as did Tolls-Royce to 45p. Against the trend, British Car Auction managed to close a penny better at 31p following Press comment on the results.

Newspapers, after resisting recently, became more involved in the general downturn and News International fell 3 to 89p, while Pearson Longman shed a similar amount to 51p. Daily Mail "A" came up 4 further to 156p. Paper/Publishing mirrored the surrounding easiness with DRG, down 4 at 73p, and Inveresk, 2 1/2 off at 37p, both at lows for the year.

Properties down

The growing possibility of higher interest rate charges haunted Properties. Stock was plentiful and difficult to place, a situation which finally brought fresh lows for the year in MEPC, 25p, and British Land, 12p, both down about 2 1/2, and in Land Securities, which fell 4 to 82p. Estates, which had a similar reaction, shed 2 1/2 to 184p, after 1970 low. Larger falls were sustained by Hammons "A", 10 lower at 193p, and Great Portland, 7 cheaper at 148p, while selling pressure on the smaller end of the market saw the Slough Estates, 42p, and Peachey, 28p, down about 4. United Real gained 4 to 132p on the increased dividend, and profit, but the return to the dividend list and profitability did little for Countryside, unchanged at 7p, after 8p.

Misc. leaders dip

Initially firmer on technical influences, the miscellaneous industrial leaders quickly reacted to worries about the economy. reasserted themselves and falls steepened late with erratic sterling. Losses of 10 were sustained by the Harbours Trust, 12p, Myddleton fell 10 to 30p in Hotels and Caterers where De Vere eased 3 to 17p and Trust Houses Forte declined 4 to 78p.

Active Stocks

| Stock | Denomina- tion | Closing price (p) | Change on day | 1976 high | 1976 low |
|-----------------|-------------------|----------------------|------------------|--------------|-------------|
| BP | 1 | 19 | 648 | + | 635 |
| BATs, Deird | 25p | 17 | 128 | - | 225 |
| ICI | 1 | 13 | 256 | - | 402 |
| Bovaird | 1 | 11 | 122 | - | 230 |
| GEC | 25p | 10 | 112 | - | 168 |
| GKN | 1 | 10 | 203 | - | 380 |
| Bonhro | 25p | 10 | 47 | - | 101 |
| Shell Transport | 25p | 9 | 334 | - | 482 |
| Marks & Spencer | 1 | 8 | 70 | - | 108 |
| Midland Bank | 1 | 8 | 200 | - | 320 |
| O & D | 1 | 8 | 84 | - | 119 |
| Unilever | 25p | 8 | 346 | - | 300 |
| British Leyland | 30p | 7 | 22 | - | 36 |

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES
Last Last Last
Deal-Deal-Deal-Settle-
ings ings ings ings ings
Oct. 26 Nov. 3 Jan. 27 Feb. 28
Nov. 9 Nov. 22 Feb. 22 Unilever and Glaxo, while
Nov. 23 Dec. 6 Feb. 24 Mar. 8
Calls were dealt in Charterhall, Warrants, ICI, Burmah Oil, Finance, MEPC, ICI, Lendip, Dunlop, English Pro-Burmah Oil, Grand Metropolitan, party, Courtauld, Grand Metro-Warrants, Tube Investments, Imperial, GEC and Commercial
Group, Marks and Union.

| Industries | First level | 2nd level | 3rd level | 4th level | 5th level |
|--------------|-------------|-----------|-----------|-----------|-----------|
| A. P. Cement | 15 | 15 | 15 | 15 | 15 |
| A. P. Cement | 15 | 15 | 15 | 15 | 15 |
| A. P. Cement | 15 | 15 | 15 | 15 | 15 |
| A. P. Cement | 15 | 15 | 15 | 15 | 15 |
| A. P. Cement | 15 | 15 | 15 | 15 | 15 |

MONEY MARKET

Hectic conditions

Bank of England Minimum Lending Rate 15 per cent. (since October 7, 1976). Fixed period interest rates rose sharply in hectic conditions yesterday as the London money market, after a large increase in Bank of England Minimum Lending Rate, to four or five pushed rates up to around 16 per cent. The fixed period, however, there was a general reluctance to lend funds at almost any rate that was bid. Discount houses buying rates a fall in the note circulation.

| Discount | houses | buying rates | a |
|-----------|------------|--------------|-------------|
| Overnight | 1-3 months | 3-6 months | 6-12 months |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | 100% | 100% | 100% |
| 100% | | | |

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

selection of the share prices previously shown under regional headings listed below with quotations on London, Irish issues, most of which are also listed in London, are shown separately and with prices as on the Irish list.

| PRICES | | | | |
|---------------|----|-----|----------------|-----|
| Flax, 25 lbs. | 15 | 63 | Corn, 9% 20082 | 577 |
| Timber | 12 | 135 | 20081 | 578 |
| Flax, 25 lbs. | 15 | 135 | 20080 | 579 |
| Timber | 12 | 135 | 20079 | 580 |
| Flax, 25 lbs. | 15 | 135 | 20078 | 581 |
| Timber | 12 | 135 | 20077 | 582 |
| Flax, 25 lbs. | 15 | 135 | 20076 | 583 |
| Timber | 12 | 135 | 20075 | 584 |
| Flax, 25 lbs. | 15 | 135 | 20074 | 585 |
| Timber | 12 | 135 | 20073 | 586 |
| Flax, 25 lbs. | 15 | 135 | 20072 | 587 |
| Timber | 12 | 135 | 20071 | 588 |
| Flax, 25 lbs. | 15 | 135 | 20070 | 589 |
| Timber | 12 | 135 | 20069 | 590 |
| Flax, 25 lbs. | 15 | 135 | 20068 | 591 |
| Timber | 12 | 135 | 20067 | 592 |
| Flax, 25 lbs. | 15 | 135 | 20066 | 593 |
| Timber | 12 | 135 | 20065 | 594 |
| Flax, 25 lbs. | 15 | 135 | 20064 | 595 |
| Timber | 12 | 135 | 20063 | 596 |
| Flax, 25 lbs. | 15 | 135 | 20062 | 597 |
| Timber | 12 | 135 | 20061 | 598 |
| Flax, 25 lbs. | 15 | 135 | 20060 | 599 |
| Timber | 12 | 135 | 20059 | 600 |
| Flax, 25 lbs. | 15 | 135 | 20058 | 601 |
| Timber | 12 | 135 | 20057 | 602 |
| Flax, 25 lbs. | 15 | 135 | 20056 | 603 |
| Timber | 12 | 135 | 20055 | 604 |
| Flax, 25 lbs. | 15 | 135 | 20054 | 605 |
| Timber | 12 | 135 | 20053 | 606 |
| Flax, 25 lbs. | 15 | 135 | 20052 | 607 |
| Timber | 12 | 135 | 20051 | 608 |
| Flax, 25 lbs. | 15 | 135 | 20050 | 609 |
| Timber | 12 | 135 | 20049 | 610 |
| Flax, 25 lbs. | 15 | 135 | 20048 | 611 |
| Timber | 12 | 135 | 20047 | 612 |
| Flax, 25 lbs. | 15 | 135 | 20046 | 613 |
| Timber | 12 | 135 | 20045 | 614 |
| Flax, 25 lbs. | 15 | 135 | 20044 | 615 |
| Timber | 12 | 135 | 20043 | 616 |
| Flax, 25 lbs. | 15 | 135 | 20042 | 617 |
| Timber | 12 | 135 | 20041 | 618 |
| Flax, 25 lbs. | 15 | 135 | 20040 | 619 |
| Timber | 12 | 135 | 20039 | 620 |
| Flax, 25 lbs. | 15 | 135 | 20038 | 621 |
| Timber | 12 | 135 | 20037 | 622 |
| Flax, 25 lbs. | 15 | 135 | 20036 | 623 |
| Timber | 12 | 135 | 20035 | 624 |
| Flax, 25 lbs. | 15 | 135 | 20034 | 625 |
| Timber | 12 | 135 | 20033 | 626 |
| Flax, 25 lbs. | 15 | 135 | 20032 | 627 |
| Timber | 12 | 135 | 20031 | 628 |
| Flax, 25 lbs. | 15 | 135 | 20030 | 629 |
| Timber | 12 | 135 | 20029 | 630 |
| Flax, 25 lbs. | 15 | 135 | 20028 | 631 |
| Timber | 12 | 135 | 20027 | 632 |
| Flax, 25 lbs. | 15 | 135 | 20026 | 633 |
| Timber | 12 | 135 | 20025 | 634 |
| Flax, 25 lbs. | 15 | 135 | 20024 | 635 |
| Timber | 12 | 135 | 20023 | 636 |
| Flax, 25 lbs. | 15 | 135 | 20022 | 637 |
| Timber | 12 | 135 | 20021 | 638 |
| Flax, 25 lbs. | 15 | 135 | 20020 | 639 |
| Timber | 12 | 135 | 20019 | 640 |
| Flax, 25 lbs. | 15 | 135 | 20018 | 641 |
| Timber | 12 | 135 | 20017 | 642 |
| Flax, 25 lbs. | 15 | 135 | 20016 | 643 |
| Timber | 12 | 135 | 20015 | 644 |
| Flax, 25 lbs. | 15 | 135 | 20014 | 645 |
| Timber | 12 | 135 | 20013 | 646 |
| Flax, 25 lbs. | 15 | 135 | 20012 | 647 |
| Timber | 12 | 135 | 20011 | 648 |
| Flax, 25 lbs. | 15 | 135 | 20010 | 649 |
| Timber | 12 | 135 | 20009 | 650 |
| Flax, 25 lbs. | 15 | 135 | 20008 | 651 |
| Timber | 12 | 135 | 20007 | 652 |
| Flax, 25 lbs. | 15 | 135 | 20006 | 653 |
| Timber | 12 | 135 | 20005 | 654 |
| Flax, 25 lbs. | 15 | 135 | 20004 | 655 |
| Timber | 12 | 135 | 20003 | 656 |
| Flax, 25 lbs. | 15 | 135 | 20002 | 657 |
| Timber | 12 | 135 | 20001 | 658 |
| Flax, 25 lbs. | 15 | 135 | 20000 | 659 |
| Timber | 12 | 135 | 19999 | 660 |
| Flax, 25 lbs. | 15 | 135 | 19998 | 661 |
| Timber | 12 | 135 | 19997 | 662 |
| Flax, 25 lbs. | 15 | 135 | 19996 | 663 |
| Timber | 12 | 135 | 19995 | 664 |
| Flax, 25 lbs. | 15 | 135 | 19994 | 665 |
| Timber | 12 | 135 | 19993 | 666 |
| Flax, 25 lbs. | 15 | 135 | 19992 | 667 |
| Timber | 12 | 135 | 19991 | 668 |
| Flax, 25 lbs. | 15 | 135 | 19990 | 669 |
| Timber | 12 | 135 | 19989 | 670 |
| Flax, 25 lbs. | 15 | 135 | 19988 | 671 |
| Timber | 12 | 135 | 19987 | 672 |
| Flax, 25 lbs. | 15 | 135 | 19986 | 673 |
| Timber | 12 | 135 | 19985 | 674 |
| Flax, 25 lbs. | 15 | 135 | 19984 | 675 |
| Timber | 12 | 135 | 19983 | 676 |
| Flax, 25 lbs. | 15 | 135 | 19982 | 677 |
| Timber | 12 | 135 | 19981 | 678 |
| Flax, 25 lbs. | 15 | 135 | 19980 | 679 |
| Timber | 12 | 135 | 19979 | 680 |
| Flax, 25 lbs. | 15 | 135 | 19978 | 681 |
| Timber | 12 | 135 | 19977 | 682 |
| Flax, 25 lbs. | 15 | 135 | 19976 | 683 |
| Timber | 12 | 135 | 19975 | 684 |
| Flax, 25 lbs. | 15 | 135 | 19974 | 685 |
| Timber | 12 | 135 | 19973 | 686 |
| Flax, 25 lbs. | 15 | 135 | 19972 | 687 |
| Timber | 12 | 135 | 19971 | 688 |
| Flax, 25 lbs. | 15 | 135 | 19970 | 689 |
| Timber | 12 | 135 | 19969 | 690 |
| Flax, 25 lbs. | 15 | 135 | 19968 | 691 |
| Timber | 12 | 135 | 19967 | 692 |
| Flax, 25 lbs. | 15 | 135 | 19966 | 693 |
| Timber | 12 | 135 | 19965 | 694 |
| Flax, 25 lbs. | 15 | 135 | 19964 | 695 |
| Timber | 12 | 135 | 19963 | 696 |
| Flax, 25 lbs. | 15 | 135 | 19962 | 697 |
| Timber | 12 | 135 | 19961 | 698 |
| Flax, 25 lbs. | 15 | 135 | 19960 | 699 |
| Timber | 12 | 135 | 19959 | 700 |
| Flax, 25 lbs. | 15 | 135 | 19958 | 701 |
| Timber | 12 | 135 | 19957 | 702 |
| Flax, 25 lbs. | 15 | 135 | 19956 | 703 |
| Timber | 12 | 135 | 19955 | 704 |
| Flax, 25 lbs. | 15 | 135 | 19954 | 705 |
| Timber | 12 | 135 | 19953 | 706 |
| Flax, 25 lbs. | 15 | 135 | 19952 | 707 |
| Timber | 12 | 135 | 19951 | 708 |
| Flax, 25 lbs. | 15 | 135 | 19950 | 709 |
| Timber | 12 | 135 | 19949 | 710 |
| Flax, 25 lbs. | 15 | 135 | 19948 | 711 |
| Timber | 12 | 135 | 19947 | 712 |
| Flax, 25 lbs. | 15 | 135 | 19946 | 713 |
| Timber | 12 | 135 | 19945 | 714 |
| Flax, 25 lbs. | 15 | 135 | 19944 | 715 |
| Timber | 12 | 135 | 19943 | 716 |
| Flax, 25 lbs. | 15 | 135 | 19942 | 717 |
| Timber | 12 | 135 | 19941 | 718 |
| Flax, 25 lbs. | 15 | 135 | 19940 | 719 |
| Timber | 12 | 135 | 19939 | 720 |
| Flax, 25 lbs. | 15 | 135 | 19938 | 721 |
| Timber | 12 | 135 | 19937 | 722 |
| Flax, 25 lbs. | 15 | 135 | 19936 | 723 |
| Timber | 12 | 135 | 19935 | 724 |
| Flax, 25 lbs. | 15 | 135 | 19934 | 725 |
| Timber | 12 | 135 | 19933 | 726 |
| Flax, 25 lbs. | 15 | 135 | 19932 | 727 |
| Timber | 12 | 135 | 19931 | 728 |
| Flax, 25 lbs. | 15 | 135 | 19930 | 729 |
| Timber | 12 | 135 | 19929 | 730 |
| Flax, 25 lbs. | 15 | 135 | 19928 | 731 |
| Timber | 12 | 135 | 19927 | 732 |
| Flax, 25 lbs. | 15 | 135 | 19926 | 733 |
| Timber | 12 | 135 | 19925 | 734 |
| Flax, 25 lbs. | 15 | 135 | 19924 | 735 |
| Timber | 12 | 135 | 19923 | 736 |
| Flax, 25 lbs. | 15 | 135 | 19922 | 737 |
| Timber | 12 | 135 | 19921 | 738 |
| Flax, 25 lbs. | 15 | 135 | 19920 | 739 |
| Timber | 12 | 135 | 19919 | 740 |
| Flax, 25 lbs. | 15 | 135 | 19918 | 741 |
| Timber | 12 | 135 | 19917 | 742 |
| Flax, 25 lbs. | 15 | 135 | 19916 | 743 |
| Timber | 12 | 135 | 19915 | 744 |
| Flax, 25 lbs. | 15 | 135 | 19914 | 745 |
| Timber | 12 | 135 | 19913 | 746 |
| Flax, 25 lbs. | 15 | 135 | 19912 | 747 |
| Timber | 12 | 135 | 19911 | 748 |
| Flax, 25 lbs. | 15 | 135 | 19910 | 749 |
| Timber | 12 | 135 | 19909 | 750 |
| Flax, 25 lbs. | 15 | 135 | 19908 | 751 |
| Timber | 12 | 135 | 19907 | 752 |
| Flax, 25 lbs. | 15 | 135 | 19906 | 753 |
| Timber | 12 | 135 | 19905 | 754 |
| Flax, 25 lbs. | 15 | 135 | 19904 | 755 |
| Timber | 12 | 135 | 19903 | 756 |
| Flax, 25 lbs. | 15 | 135 | 19902 | 757 |
| Timber | 12 | 135 | 19901 | 758 |
| Flax, 25 lbs. | 15 | 135 | 19900 | 759 |
| Timber | 12 | 135 | 19899 | 760 |
| Flax, 25 lbs. | 15 | 135 | 19898 | 761 |
| Timber | 12 | 135 | 19897 | 762 |
| Flax, 25 lbs. | 15 | 135 | 19896 | 763 |
| Timber | 12 | 135 | 19895 | 764 |
| Flax, 25 lbs. | 15 | 135 | 19894 | 765 |
| Timber | 12 | 135 | 19893 | 766 |
| Flax, 25 lbs. | 15 | 135 | 19892 | 767 |
| Timber | 12 | 135 | 19891 | 768 |
| Flax, 25 lbs. | 15 | 135 | 19890 | 769 |
| Timber | 12 | 135 | 19889 | 770 |
| Flax, 25 lbs. | 15 | 135 | 19888 | 771 |
| Timber | 12 | 135 | 19887 | 772 |
| Flax, 25 lbs. | 15 | 135 | 19886 | 773 |
| Timber | 12 | 135 | 19885 | 774 |
| Flax, 25 lbs. | 15 | 135 | 19884 | 775 |
| Timber | 12 | 135 | 19883 | 776 |
| Flax, 25 lbs. | 15 | 135 | 19882 | 777 |
| Timber | 12 | 135 | 19881 | 778 |
| Flax, 25 lbs. | 15 | 135 | 19880 | 779 |
| Timber | 12 | 135 | 19879 | 780 |
| Flax, 25 lbs. | 15 | 135 | 19878 | 781 |
| Timber | 12 | 135 | 19877 | 782 |
| Flax, 25 lbs. | 15 | 135 | 19876 | 783 |
| Timber | 12 | 135 | 19875 | 784 |
| Flax, 25 lbs. | 15 | 135 | 19874 | 785 |
| Timber | 12 | 135 | 19873 | 786 |
| Flax, 25 lbs. | 15 | 135 | 19872 | 787 |
| Timber | 12 | 135 | 19871 | 788 |
| Flax, 25 lbs. | 15 | 135 | 19870 | 789 |
| Timber | 12 | 135 | 19869 | 790 |
| Flax, 25 lbs. | 15 | 135 | 19868 | 791 |
| Timber | 12 | 135 | 19867 | 792 |
| Flax, 25 lbs. | 15 | 135 | 19866 | 793 |
| Timber | 12 | 135 | 19865 | 794 |
| Flax, 25 lbs. | 15 | 135 | 19864 | 795 |
| Timber | 12 | 135 | 19863 | 796 |
| Flax, 25 lbs. | 15 | 135 | 19862 | 797 |
| Timber | 12 | 135 | 19861 | 798 |
| Flax, 25 lbs. | 15 | 135 | 19860 | 799 |
| Timber | 12 | 135 | 19859 | 800 |
| Flax, 25 lbs. | 15 | 135 | 19858 | 801 |
| Timber | 12 | 135 | 19857 | 802 |
| Flax, 25 lbs. | 15 | 135 | 19856 | 803 |
| Timber | 12 | 135 | 19855 | 804 |
| Flax, 25 lbs. | 15 | 135 | 19854 | 805 |
| Timber | 12 | 135 | 19853 | 806 |
| Flax, 25 lbs. | 15 | 135 | 19852 | 807 |
| Timber | 12 | 135 | 19851 | 808 |
| Flax, 25 lbs. | 15 | 135 | 19850 | 809 |
| Timber | 12 | 135 | 19849 | 810 |
| Flax, 25 lbs. | 15 | 135 | 19848 | 811 |
| Timber | 12 | 135 | 19847 | 812 |
| Flax, 25 lbs. | 15 | 135 | 19846 | 813 |
| Timber | 12 | 135 | 19845 | 814 |
| Flax, 25 lbs. | 15 | 135 | 19844 | 815 |
| Timber | 12 | 135 | 19843 | 816 |
| Flax, 25 lbs. | 15 | 135 | 19842 | 817 |
| Timber | 12 | 135 | 19841 | 818 |
| Flax, 25 lbs. | 15 | 135 | 19840 | 819 |
| Timber | 12 | 135 | 19839 | 820 |
| Flax, 25 lbs. | 15 | 135 | 19838 | 821 |
| Timber | 12 | 135 | 19837 | 822 |
| Flax, 25 lbs. | 15 | 135 | 19836 | 823 |
| Timber | 12 | 135 | 19835 | 824 |
| Flax, 25 lbs. | 15 | 135 | 19834 | 825 |
| Timber | 12 | 135 | 19833 | 826 |
| Flax, 25 lbs. | 15 | 135 | 19832 | 827 |
| Timber | 12 | 135 | 19831 | 828 |
| Flax, 25 lbs. | 15 | 135 | 19830 | 829 |
| Timber | 12 | 135 | 19829 | 830 |
| Flax, 25 lbs. | 15 | 135 | 19828 | 831 |
| Timber | 12 | 135 | 19827 | 832 |
| Flax, 25 lbs. | 15 | 135 | 19826 | 833 |
| Timber | 12 | 135 | 19825 | 834 |
| Flax, 25 lbs. | 15 | 135 | 19824 | 835 |
| Timber | 12 | 135 | 19823 | 836 |
| Flax, 25 lbs. | 15 | 135 | 19822 | 837 |
| Timber | 12 | 135 | 19821 | 838 |
| Flax, 25 lbs. | 15 | 135 | 19820 | 839 |
| Timber | 12 | 135 | 19819 | 840 |
| Flax, 25 lbs. | 15 | 135 | 19818 | 841 |
| Timber | 12 | 135 | 19817 | 84 |

LEADERS AND LAGGARDS

Following table shows the percentage changes* which have taken place
 number 31, 1975, in the principal equity sections of the F.T.-Actuaries
 Note: *The table contains the F.T. Gold Mines Index

[illegible]

COMPANY NOTICE

Bank of Montreal

Established 1817
Dividend No. 472

Notice is hereby given that a dividend of Twenty Five Cents per share on the paid up Capital Stock of this Institution has been declared for the current quarter payable on November 29th 1976 to shareholders of record at the close of business on the 29th October 1976.

Shares not fully paid for by October 29th will rank for the purpose of the said Dividend to the extent of the payments made on the said shares on or before that date.

By order of the Board

R. Muir
Vice President and Secretary

ABOLITION

APOLLO
Edited by Denys Sutton
the world's leading magazine

Arts and Antiques
 Monthly price £1.50 Annual Subscription £18.00 (incl. postage)
 Subscription £20.00. USA & Canada Air Assisted
 Apollo Magazine, Bracken House, 10 Cannon Street
 London EC4A 3BY Tel: 01-248 8000

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTE

| | | | |
|--|------|------|------------|
| Slater Walker Trust Mgt. (Jersey) Ltd. | | | |
| 59 Bath St., St. Heller, Jersey | | | 0535 72114 |
| Contract, Govt. 1982-83 | 20.0 | 22.0 | 1.00 |
| Yield, 1982-83 | 20.0 | 22.0 | 1.00 |
| Yield, 1983-84 | 20.0 | 22.0 | 1.00 |
| Yield, 1984-85 | 20.0 | 22.0 | 1.00 |
| Yield, 1985-86 | 20.0 | 22.0 | 1.00 |
| Yield, 1986-87 | 20.0 | 22.0 | 1.00 |
| Yield, 1987-88 | 20.0 | 22.0 | 1.00 |
| Yield, 1988-89 | 20.0 | 22.0 | 1.00 |
| Yield, 1989-90 | 20.0 | 22.0 | 1.00 |
| Yield, 1990-91 | 20.0 | 22.0 | 1.00 |
| Yield, 1991-92 | 20.0 | 22.0 | 1.00 |
| Yield, 1992-93 | 20.0 | 22.0 | 1.00 |
| Yield, 1993-94 | 20.0 | 22.0 | 1.00 |
| Yield, 1994-95 | 20.0 | 22.0 | 1.00 |
| Yield, 1995-96 | 20.0 | 22.0 | 1.00 |
| Yield, 1996-97 | 20.0 | 22.0 | 1.00 |
| Yield, 1997-98 | 20.0 | 22.0 | 1.00 |
| Yield, 1998-99 | 20.0 | 22.0 | 1.00 |
| Yield, 1999-00 | 20.0 | 22.0 | 1.00 |
| Yield, 2000-01 | 20.0 | 22.0 | 1.00 |
| Yield, 2001-02 | 20.0 | 22.0 | 1.00 |
| Yield, 2002-03 | 20.0 | 22.0 | 1.00 |
| Yield, 2003-04 | 20.0 | 22.0 | 1.00 |
| Yield, 2004-05 | 20.0 | 22.0 | 1.00 |
| Yield, 2005-06 | 20.0 | 22.0 | 1.00 |
| Yield, 2006-07 | 20.0 | 22.0 | 1.00 |
| Yield, 2007-08 | 20.0 | 22.0 | 1.00 |
| Yield, 2008-09 | 20.0 | 22.0 | 1.00 |
| Yield, 2009-10 | 20.0 | 22.0 | 1.00 |
| Yield, 2010-11 | 20.0 | 22.0 | 1.00 |
| Yield, 2011-12 | 20.0 | 22.0 | 1.00 |
| Yield, 2012-13 | 20.0 | 22.0 | 1.00 |
| Yield, 2013-14 | 20.0 | 22.0 | 1.00 |
| Yield, 2014-15 | 20.0 | 22.0 | 1.00 |
| Yield, 2015-16 | 20.0 | 22.0 | 1.00 |
| Yield, 2016-17 | 20.0 | 22.0 | 1.00 |
| Yield, 2017-18 | 20.0 | 22.0 | 1.00 |
| Yield, 2018-19 | 20.0 | 22.0 | 1.00 |
| Yield, 2019-20 | 20.0 | 22.0 | 1.00 |
| Yield, 2020-21 | 20.0 | 22.0 | 1.00 |
| Yield, 2021-22 | 20.0 | 22.0 | 1.00 |
| Yield, 2022-23 | 20.0 | 22.0 | 1.00 |
| Yield, 2023-24 | 20.0 | 22.0 | 1.00 |
| Yield, 2024-25 | 20.0 | 22.0 | 1.00 |
| Yield, 2025-26 | 20.0 | 22.0 | 1.00 |
| Yield, 2026-27 | 20.0 | 22.0 | 1.00 |
| Yield, 2027-28 | 20.0 | 22.0 | 1.00 |
| Yield, 2028-29 | 20.0 | 22.0 | 1.00 |
| Yield, 2029-30 | 20.0 | 22.0 | 1.00 |
| Yield, 2030-31 | 20.0 | 22.0 | 1.00 |
| Yield, 2031-32 | 20.0 | 22.0 | 1.00 |
| Yield, 2032-33 | 20.0 | 22.0 | 1.00 |
| Yield, 2033-34 | 20.0 | 22.0 | 1.00 |
| Yield, 2034-35 | 20.0 | 22.0 | 1.00 |
| Yield, 2035-36 | 20.0 | 22.0 | 1.00 |
| Yield, 2036-37 | 20.0 | 22.0 | 1.00 |
| Yield, 2037-38 | 20.0 | 22.0 | 1.00 |
| Yield, 2038-39 | 20.0 | 22.0 | 1.00 |
| Yield, 2039-40 | 20.0 | 22.0 | 1.00 |
| Yield, 2040-41 | 20.0 | 22.0 | 1.00 |
| Yield, 2041-42 | 20.0 | 22.0 | 1.00 |
| Yield, 2042-43 | 20.0 | 22.0 | 1.00 |
| Yield, 2043-44 | 20.0 | 22.0 | 1.00 |
| Yield, 2044-45 | 20.0 | 22.0 | 1.00 |
| Yield, 2045-46 | 20.0 | 22.0 | 1.00 |
| Yield, 2046-47 | 20.0 | 22.0 | 1.00 |
| Yield, 2047-48 | 20.0 | 22.0 | 1.00 |
| Yield, 2048-49 | 20.0 | 22.0 | 1.00 |
| Yield, 2049-50 | 20.0 | 22.0 | 1.00 |
| Yield, 2050-51 | 20.0 | 22.0 | 1.00 |
| Yield, 2051-52 | 20.0 | 22.0 | 1.00 |
| Yield, 2052-53 | 20.0 | 22.0 | 1.00 |
| Yield, 2053-54 | 20.0 | 22.0 | 1.00 |
| Yield, 2054-55 | 20.0 | 22.0 | 1.00 |
| Yield, 2055-5 | | | |

THE £700 MILLION INVESTMENT EXPERIENCE

Canlife units

EXPERIENCE—WHERE EXPERIENCE COUNTS

Canada Life Unit Trust Managers Limited, Canada Life House, 100, Broad Street, London, W.C.2. Tel: 01-583-101. Telex: 2022.

FINANCIAL TIMES

Thursday October 28 1976

SHIPPON BUILDING SOCIETY

Head Office: 17th St. Station, B23 1DN. Telephone: 0758 4851.

BRANCHES EVERYWHERE

Assets exceed £115: -

its the centre o. interest around he

Shipyards 'may need aid against Japan'

BY JOHN WYLES, SHIPPING CORRESPONDENT

A WARNING that Britain could be forced to protect its shipbuilding industry unless Japan is persuaded to cut its share of the depressed world market was given yesterday by Mr. J. Graham Day, chief executive designate of British Shipbuilders.

He will play a leading role in running the industry after its nationalisation.

In a speech which also outlined how British Shipbuilders will try to cope with the pretty grim prospects facing the industry, Mr. Day urged West European Governments to act together to contain the Japanese share of world shipbuilding to something less than 50 per cent.

His remarks were clearly directed at the Organisation for Economic Co-operation and Development talks on shipbuilding policy which started in Paris yesterday. During the two-day meeting, an EEC declaration will urge the Japanese to recast their shipbuilding policy, which is designed to maintain Japan's 50 per cent share of the market coupled with a reduction in output because of the predicted fall in world demand to about 37 per cent of 1974 levels.

Mr. Day told shipping industry public relations officers that Japan had the reputation of reducing its capacity because

since the 1950s it had expanded its shipyards at a faster rate than the growth in world demand.

"Japan should be penalised to a greater extent because it has irresponsibly fuelled shipbuilding capacity to a greater extent," he said.

This closely reflects Whitehall thinking on the problem, although Ministers are not yet prepared to go as far as Mr. Day in contemplating his protectionist alternative to failure in the diplomatic talks with Japan.

Secret plan

Turning to British shipbuilding's prospects during the world recession, Mr. Day referred to the latest order figures, reported in the Financial Times yesterday, which reveal that new orders are about two-thirds lower than the volume needed to maintain existing capacity. Whether or not an agreement is reached with Japan, "we will be desperately pushed to maintain the regular annual output in recent years."

Denying that the British Shipbuilders' organising committee, which is preparing for the westward move of the public corporation, had any secret plan for

closing certain yards, Mr. Day pointed out that until the Government's Bill received Royal Assent he and his colleagues did not have access to the detailed company information needed to assess a yard's future.

But in an important passage which outlined the criteria British Shipbuilders will be using in trying to meet its obligation to make a return on capital, Mr. Day said yards would fall into three categories.

One group would be the consistently profitable, although some may now be in difficulties. These should have first call on the limited support British Shipbuilders can give so that the corporation could meet its target returns on capital.

In the second group would be yards with "spotty records." If it was concluded that these yards could be put right, British Shipbuilders had a responsibility to the people who worked in them to try to secure their future.

The future of yards which had not made a profit over a five-year period would have to be decided by the Government and would be determined by Government policy. If the ruling was that the yards should be kept going, they would be acting as administrators for the Government.

Secret poll gives boost to Spain's centre parties

BY ROGER MATTHEWS

MADRID, Oct. 27.

A SECRET opinion poll, ordered by the Spanish Government and recently completed, shows that the Christian Democrats, Socialists, and Social Democrats would take nearly 57 per cent of the votes in a general election.

According to the poll the Conservative and ultra-Right-wing groups would account for only about 14 per cent, with the Communists at about 5 per cent, and a critical 24 per cent of the electorate undecided.

The increasingly buoyant Cabinet now believes that its programme of constitutional reform, due shortly to be debated by General Franco's parliamentary body, the Cortes, will get through largely unscathed. This will enable a referendum to be called in the aftermath of general elections to be held before the scheduled date of June next year.

Much will depend on how the different political parties finally line up in the latest Government poll indicates that 22 per cent of the electorate wants to support a Christian Democrat party, 13 per cent the Socialists and 17 per cent the Social Democrats.

The poll provides a particularly unhappy result for the most Right-wing parties, especially the newly formed Popular Alliance headed by six former Franco Ministers which, at best, seems to have about 10 per cent of the public vote and so far only 10 per cent out of the 14 per cent going to the old-established Right.

This is a factor which will be borne in mind by the Cabinet and King Juan Carlos, as Cortes comes to vote on the constitutional reform proposals next month. The Popular Alliance has strong voting power in the Cortes and will be proposing amendments to the Government's draft law.

However, Adolfo Suarez, the Prime Minister, has let it be known privately that the Government is prepared to dissolve the Cortes and go directly to a referendum if the necessary two-thirds majority for its proposals is not forthcoming.

Sen. Suarez has apparently decided that he will remain as Prime Minister until the elections and will not resign before heading any political party.

The Government apparently intends to carry out these polls on a regular basis in an attempt to keep abreast of public opinion during the next few especially difficult months.

It is also understood that the Prime Minister feels able to use the results of the polls to put pressure on political parties to register as legal associations and forming larger coalitions.

Undeclared

Although the Communist vote—at about 5 per cent—is thought to be very low it is likely that some of its supporters are unwilling at this stage to declare their intentions and so among the undeclared 24 per cent the Government has stated that the Communists will not be recognised as a party.

One conclusion that might be drawn from the present state of public opinion is that a future Spanish Government would most likely be composed of a form of coalition between the more centrist and Left-wing Christian Democrats, the mainstream Socialist party (PSOE)—especially if it can amalgamate with the other two socialist factions—and the apparently well-supported yet relatively little known groups of social democrats.

Giro chief resigns two years early

BY ROY HODSON

THE MAN largely responsible for making the National Giro profitable, Mr. Alfred Singer, has resigned as managing director two years before the end of his term.

He is also leaving the Post Office Corporation Board, but contrary to speculation, is not severing all his links with the corporation. He has accepted the chairmanship of the newly formed Post Office Staff Superannuation Fund as from the end of this year.

Mr. Eric Varley, the Industry Secretary, announced Mr. Singer's departure from Giro "with regret" last night in a short statement.

Mr. Singer last night said: "I hope that the announcement from the Secretary of State and the Board will end speculation concerning my position. After three years' Board membership and putting Giro on a firm commercial foundation with the help of a magnificent team of Post Office people, I felt the time had come for wider and additional responsibilities."

"The appointment to the chairmanship of the pension fund means ultimate responsibility for the pensions of 500,000 people and is incompatible with membership of the Board."

Mr. Singer, who is 51, will leave Giro at the end of the year after three years in office. He was recruited to run the service in 1973 and has been instrumental in its development into a profitable private sector career in management.

He showed great flair in developing Giro after its unhappy start, but has been critical of the management style of the Post Office.

Changes in the structure of the Department of Industry, Whitehall sources also confirmed last night that the Treasury was studying the recent Labour Party National Executive proposals for a merger of Giro and National Savings Bank.

This idea was floated anew by the national secretary as "a proposal worth studying" in the recent party policy document on banking and finance.

The desirability of having a single State body for money transmission was spelled out three years ago in the report of a Government committee led by Sir Harry Page, former Manchester city treasurer.

The committee thought that the Giro and the NSB could help out the duplication of standing orders and, in the long term, might solve the problems of both organisations.

However, it saw considerable difficulties in a quick merger, because of the separate development of the Giro computer headquarters at Bottles, Merseyside, and the NSB headquarters at Glasgow.

The work now being done by the Treasury has so far been conducted without publicity because of departmental sensitivities. The Treasury is the sponsoring department for National Savings movement in conjunction with the Department of Industry, but the Industry Department is wholly responsible for Giro through the Post Office.

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

THE LEX COLUMN

Why Courtaulds is cutting back

If the money markets are any guide, the Government's credit squeeze is really beginning to bite. Yesterday saw short-term money rates rise by around half a point, with three month CDs yielding around 18 per cent, and inter-bank money roughly the same. Not that much business was being done at these rates.

Anxiety in the money markets about higher interest rates fed through gifts, and short-dated stocks closed with falls of up to a full point. With the yield on the short tap up to 15.4 per cent and the long tap returning 16.43 per cent, the flattening of the yield curve does not augur well for the Government's gifts sales programme. The latest jump in M.L.K. has been of little help to the Government broker, and though the Treasury bill buying discount rate is signalling another half point rise, it is questionable whether the Government will take the plunge.

What appears to be happening is that the differential between Treasury bill rates and money market rates is returning to more normal levels. Recently it had virtually disappeared, so the recent upward move in money rates can be seen partly as a restoration of traditional differentials.

Courtaulds

The closures at Courtaulds have to be seen in the context of a group which is unlikely to have made much more than £20m. pre-tax in the six months to September on total capital employed of well over £800m., and which in real terms has been making sizeable losses. The cutbacks are not related to current trading experience, which may not have changed much since July's annual meeting. However, question marks are appearing over the strength of the recovery in the synthetic fibre industry around the world.

In the past month, groups like Hoechst, Du Pont, Enka, Glanzstoff and Rhone Poulenc have been reporting a return to short-term working or redundancies across Europe. The weakness extends to Japan and the U.S., where polyester filament prices have fallen by 30 per cent over the last nine months, and deliveries of non-cellulosic fibres generally have been running below the levels of last spring.

This idea was floated anew by the national secretary as "a proposal worth studying" in the recent party policy document on banking and finance.

The desirability of having a single State body for money transmission was spelled out three years ago in the report of a Government committee led by Sir Harry Page, former Manchester city treasurer.

The committee thought that the Giro and the NSB could help out the duplication of standing orders and, in the long term, might solve the problems of both organisations.

However, it saw considerable difficulties in a quick merger, because of the separate development of the Giro computer headquarters at Bottles, Merseyside, and the NSB headquarters at Glasgow.

The work now being done by the Treasury has so far been conducted without publicity because of departmental sensitivities. The Treasury is the sponsoring department for National Savings movement in conjunction with the Department of Industry, but the Industry Department is wholly responsible for Giro through the Post Office.

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

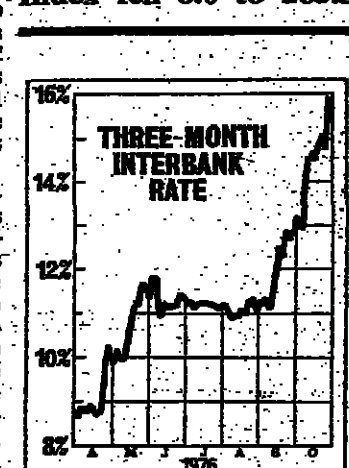
Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Index fell 8.0 to 265.3



Courtaulds is not particularly exposed in some of the weaker areas, like polyester and nylon. But it has decided that it can no longer afford to nurse along what it sees as consistent losers or outmoded processes in the hope of being bailed out by a boom. Nearly 4,000 people are being laid off in 1976-77, the U.K. workforce was reduced by 10,000, including 3,000 redundancies, and reorganisation and closure costs amounted to £9.7m. pre-tax.

The group is still investing heavily in fixed assets, and working capital has risen by another £40m. this year. So unless cash flow picks up over the rest of the year, its big net cash balances may just about have disappeared by next March. The interim statement due in mid-November should throw more light on this.

Spillers

Spillers' first half results are disappointing, with a drop of £2m. to £25m. pre-tax despite a £0.6m. drop from last year's rights issue proceeds. There have been special problems at Spillers-French which, rising grain costs (cost of sterling) have aggravated, and this year an acceleration in this company's rationalisation programme will produce below-the-line provisions of over £2m. An improving profits performance is expected in the current six months helped by the absence of £1.1m. of losses in Zambia. But the overall decline may well run to an eighth pre-tax, that prospect looked a tenth off the shares yesterday where at 23p they are at almost exactly half their 1976 peak.

To judge by the charge minorities the Spillers-French operations could be down by much as £4m. pre-tax for half-year. Milling and stock profits last year) I coped less adequately with rising raw material costs this and the latter has had problems with the mix of its forward charges. But the pricing ground is now much better, that goes for baking. Spillers reckons not to have a market share when AB Food cut its prices temporarily in October, but bread losses year will be only margin down on last year's £2m. rest of the business (i. groceries, pet foods) is at with volume growth in per cent extending to around 2 per cent.

Any devaluation of the pound and the resulting prices will presumably add Spillers' problems of surmounting demand, and at the moment grain costs have pushed stocks by a fifth against 1975-76 levels. So the company is keeping its dividend open. After a year of attributable profits, year may not emerge as above £4m., whereas the dividends, including France, in 1975-76 was £31m. interim payment is being and the historic yield of 17 per cent is covered around 12 per cent.

BBP Industries

BBP Industries' profits are 66 per cent ahead at the interim stage and the group is forecasting profits for the year of £25m., implying that second half profits will be roughly half that of the first half.

With U.K. housing completions expected to fall from £15,000 to £20,000 in 1977, the possibility of further public spending cuts, the company clearly taking no chances. French subsidiary chipped an extra £2.2m. in the first months but this sort of gain is unlikely to be repeated. Canada did slightly better, price controls continue to its earnings growth. Meanwhile the Dutch operation is a losing money and is unlikely to start making a contribution until next year.

So the onus is on the side to provide the growth 1977-78, which helps explain why the group is on a p. close to 3 and a prospect yield of 11.8 per cent at 28p.

Travel agents back down on fixed commission

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE ASSOCIATION of British Travel Agents has dropped its recommendation to members to charge a standard 10 per cent rate of commission on holidays they sell. It has withdrawn advice to agents on minimum charges which should be asked for such services as hotel bookings and sale of travellers' cheques and currency.

This was disclosed yesterday in the first batch of 102 inter-company agreements in the service industries to be put on the register of restrictive trading agreements by the Office of Fair Trading. Registration of these agreements is part of the process, begun last year, of extending the restrictive practices legislation outside the field of goods and into the service area.

The new legislation is expected to result in the breaking up of a number of well established restrictive practices—most notably the field of commission. It is likely that only a small proportion of those agreements registered yesterday will be allowed to continue indefinitely in their present form.

The agreements registered yesterday covered such diverse areas as the commission system operated by mortgage brokers, terms of business in the tea and confectionery market, recommended entry prices to football grounds and funeral charges.

Details of more than 500 arrangements have been received, although about a third of them are considered to be outside the terms of the Act.

The director-general of fair trading has a duty to refer all registered agreements to the Restrictive Practices Court for a ruling on whether or not they are in the public interest. The only exception he may make is if he considers the arrangements are not significant enough to warrant reference to the court.

Straightforward

Once the case gets to the court, the onus is on the parties to prove that the restrictions are in the public interest. The experience of manufacturing companies indicates that not many will be prepared to take their case to the court. Only 10 per cent of the 3,000 agreements registered in relation to the supply of goods are still in force. Only 11 of the 37 which ended up in court were considered in the public interest.

The agreements registered yesterday generally were the more straightforward of the 300 agreements considered to be registrable.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

The Association of British Travel Agents said yesterday that its recommendation on the level of commission which agents should charge tour operators had been overtaken by events.

because a number of companies have agreed to reduce their commission to less than 10 per cent. The recommendation circulated in May of last year theoretically was still in operation in March and therefore had to be registered. The association was advised it would not survive the public interest test and so formally ended its agreement.

The association is considering what to do about a number of other more fundamental agreements it has registered with the office. The feeling is that some—such as the limitation on price cutting—may have to be revised.

Of the agreements registered yesterday, 65 concerned recommended charges and commission rates. These included agreements from the Institute of Public Local Authorities, pool operators, the Radio, Electrical and Television Repair Association and some local estate agents' associations. Another 25, including ones from the Direct Mail Producers' Association and the Manufacturers' Agents' Association of Great Britain, related to standard terms or conditions of business—limiting liability, for example.

Estate agents submitted the largest number of registrable agreements—30 in all—followed by 25 from the transport sector and ten from sports area. Another six came from the financial sector.

Mr. Singer last night said: "I hope that the announcement from the Secretary of State and the Board will end speculation concerning my position. After three years' Board membership and putting Giro on a firm commercial foundation with the help of a magnificent team of Post Office people, I felt the time had come for wider and additional responsibilities."

The appointment to the chairmanship of the pension fund means ultimate responsibility for the pensions of 500,000 people and is incompatible with membership of the Board."

Mr. Singer, who is 51, will leave Giro at the end of the year after three years in office. He was recruited to run the service in 1973 and has been instrumental in its development into a profitable private sector career in management.

He showed great flair in developing Giro after its unhappy start, but has been critical of the management style of the Post Office.

Changes in the structure of the Department of Industry, Whitehall sources also confirmed last night that the Treasury was studying the recent Labour Party National Executive proposals for a merger of Giro and National Savings Bank.

This idea was floated anew by the national secretary as "a proposal worth studying" in the recent party policy document on banking and finance.

The desirability of having a single State body for money transmission was spelled out three years ago in the report of a Government committee led by Sir Harry Page, former Manchester city treasurer.

The committee thought that the Giro and the NSB could help out the duplication of standing orders and, in the long term, might solve the problems of both organisations.

However, it saw considerable difficulties in a quick merger, because of the separate development of the Giro computer headquarters at Bottles, Merseyside, and the NSB headquarters at Glasgow.

The work now being done by the Treasury has so far been conducted without publicity because of departmental sensitivities. The Treasury is the sponsoring department for National Savings movement in conjunction with the Department of Industry, but the Industry Department is wholly responsible for Giro through the Post Office.

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Mr. Slater faces six charges, including conspiracy, furnishing false statements and breach of trust over the disposal of shares in Haw Par Brothers (Hong Kong).

Trust Houses pays £26m. loan six months ahead

BY TERRY WILKINSON, CITY STAFF

TRUST HOUSES FORTE, the hotels and catering group, has arranged to repay a £26m. loan, now worth more than £26m., some six months ahead of schedule. The cash is unmatched by overseas assets, and there is no immediate prospect of a sale.

The loan will be repaid on November 14 instead of May next year. It was taken out in May, 1973, at an interest rate of 6 per cent, to finance the construction of 15 hotels in the Post House chain of hotels in the U.K.

At the time the equivalent sterling value of the loan was £11.24m., but the decline in

the pound from Sw.Frs.320 to Sw.Frs.284 over this period has pushed the loan liability up.

Since the last balance-sheet published by Trust Houses Forte for the year to October 31, 1975, sterling has fallen 30 per cent, against the Swiss Franc. This would call for provisions of a further £8m. to be made by the group this year in addition to the £7.5m. already made in the past two years.

It was announced yesterday that Trust Houses Forte had bought the U.S. Knott Hotels Corporation for \$6m. (£3.8m.) in cash. The purchase will bring the company's U.S. turnover to more than \$100m.

The pound from Sw.Frs.320 to Sw.Frs.284 over this period has pushed the loan liability up.

Since the last balance-sheet published by Trust Houses Forte for the year to October 31, 1975, sterling has fallen 30 per cent, against the Swiss Franc. This would call for provisions of a further £8m. to be made by the group this year in addition to the £7.5m. already made in the past two years.

It was announced yesterday that Trust Houses Forte had bought the U.S. Knott Hotels Corporation for \$6m. (£3.8m.) in cash. The purchase will bring the company's U.S. turnover to more than \$100m.

The pound from Sw.Frs.320 to Sw.Frs.284 over this period has pushed the loan liability up.

Since the last balance-sheet published by Trust Houses Forte for the year to October 31, 1975, sterling has fallen 30 per cent, against the Swiss Franc. This would call for provisions of a further £8m. to be made by the group this year in addition to the £7.5m. already made in the past two years.